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ABSTRACT

The best-known model for large-scale private giving to foster education reform is Walter Annenberg's $500 million gift to U.S. public education in 1993. The biggest chunk of this money was used to fund challenge grants in the nine largest U.S. cities. The three case studies and commentary in this report evaluate the success of the Annenberg Challenge grant in three of these cities: New York City, Philadelphia, and Chicago. Overall, they find that the schools systems on the whole have been largely unresponsive. It is concluded that the reason that these grants did not accomplish more was because the idea on which they were based, that public schools lack expertise and that talented and motivated outsiders working with the system can provide it, is wrong. The essays in this collection are: (1) "Foreword" (Chester E. Finn, Jr.); (2) "Introduction: An Unprecedented Challenge" (Raymond Domanico); (3) "A Small Footprint on the Nation's Largest School System" (Raymond Domanico); (4) "Grant Brings High Hopes, Modest Gains to Philadelphia School Reform" (Carol Innerst); (5) "From Frontline Leader to Rearguard Action: The Chicago Annenberg Challenge" (Alexander Russo); and (6) "Afterword: Lessons from the Annenberg Challenge" (Chester E. Finn, Jr. and Marci Kanstoroom). (Contains 19 references.) (SLD)

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Can Philanthropy Fix Our Schools?

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CASE STUDIES:
NEW YORK CITY BY RAYMOND DOMANICO
PHILADELPHIA BY CAROL INNERST
CHICAGO BY ALEXANDER RUSSO

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Afterword by Chester E. Finn, Jr. and Marci Kanstoroom

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Foreword

When, in March 2000, the Bill and Melinda Gates Foundation announced a $350 million gift aimed at improving our nation's schools, it made headlines. Their gift overshadowed a $100 million gift to buttress primary school reading in Mississippi, which was announced in January by James Barksdale, the former president of Netscape. Indeed, it seems that scarcely a week goes by without some major donor disclosing his (or her) intention to shower lots of money onto K-12 education in the hopes of making it better.

With all of these philanthropic dollars pouring into education, it's time—indeed, it's past time—to ask what is known about how much good these dollars do.

The best-known model for large-scale private giving to foster education reform is Walter Annenberg's $500 million gift to U.S. public education, unveiled with much hoopla and many accolades in December 1993. Ambassador Annenberg's gift combined remarkable personal generosity and civic-mindedness with brave, ambitious words about improving American education. The biggest chunk of the gift was used to fund challenge grants in the nation's nine largest cities. These Annenberg Challenge programs are to end with the current school year, 1999-2000. Believing that the experiences of those cities could provide valuable lessons for future attempts at school reform driven by private giving, we commissioned case studies of three communities' experiences with the Annenberg Challenge.

The authors of these reports take a clear-eyed, honest, and dispassionate look at what happened in New York City, Chicago, and Philadelphia. What they find is that Walter Annenberg didn't accomplish what he had hoped. While students in some schools surely benefited from this unprecedented private generosity, the system as a whole was largely unresponsive. Our conclusion is that the main reason these grants didn't accomplish more was because the essential idea on which they were based—that what public schools most lack is expertise and that talented and motivated outsiders working with the system can provide this—is itself erroneous.

Three talented investigators looked at the Annenberg Challenge grants:

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Chester E. Finn, Jr., President
Thomas B. Fordham Foundation
Washington, D.C.
April 2000

Introduction: An Unprecedented Challenge

Raymond Domanico

Former ambassador Walter Annenberg's $500 million gift to the nation's public schools in 1993 was billed as an "unprecedented challenge to an American public increasingly vocal about the need for school improvement." His gift called upon communities to "take the necessary tough political steps" to fulfill America's democratic obligation to educate all of our children well. His action combined remarkable personal generosity and civic mindedness with bold words about changing an institution that occupied a central place in the American prospect but had shown itself impervious to previous efforts at dramatic change: the public education system.

Annenberg grants were made in four large categories. Major grants were made to two national school-reform groups. Challenge grants were made in nine large city school systems. A consortium of rural school-improvement groups also received a grant. Finally, Annenberg grants were made to support arts education in major cities.

The Annenberg Challenge is now drawing to a close in the large urban school systems that began their Annenberg-funded efforts in 1994. These programs will be ending during the current school year, 1999-2000. The experience of those cities provides some valuable lessons for future attempts at systemic education change catalyzed by private giving. With such philanthropic efforts evidently poised for remarkable growth, the Thomas B. Fordham Foundation commissioned case studies of three cities' experiences with the Annenberg Challenge.

The Secure Middle Ground

Despite the bold words accompanying Ambassador Annenberg's gift, the Annenberg Challenge quickly revealed a philosophy that assured that it would remain in the middle ground of education-reform efforts. Early on, the Challenge established itself in opposition to what its leaders saw as the polar opposites of the two dominant school-reform efforts of the day—privatization through vouchers and increased centralization of authority over schools. Instead, the Challenge required local districts to work with intermediate institutions in private partnerships, eschewing reforms administered exclusively by the school systems themselves, but also requiring that private partners obtain the approval and cooperation of those school systems. The Challenge also professed to embrace pluralism. The design of specific projects would emerge from local experiences, discussion, and negotiations and would not be dictated by the staff of the Annenberg Challenge.

This was a non-confrontational approach to reform. The Annenberg Challenge was not set up to challenge the status quo; rather it relied upon much the same set of relationships and processes that had yielded the status quo in large public school systems. Market-based solutions, such as vouchers and charter schools, which ultimately place more power in the hands of parents as consumers, were not part of the Annenberg Challenge. Neither was the imposition of higher academic standards and external accountability for results, which would strengthen the hand of state departments of education. Rather, the Annenberg Challenge asked local nonprofit groups, businesses, and other reform agencies to use their share of the largesse to negotiate change with the existing power structure of public education—the teachers' unions, boards of education, and politicians—which of course had far more money at its disposal than the Annenberg Challenge was putting on the table. The Annenberg Challenge assumed that outside reform groups could successfully work within

and alongside large school systems and thereby bring about significant change.

Thinly Spread

Though the Annenberg Challenge was not about a dramatic power shift in local school politics, it was wide in its geographic scope. Today, the Challenge reports that its efforts are supporting work in nearly twenty-seven hundred schools in three hundred school districts located in almost every state. Seventeen hundred of these schools are receiving the types of matching grants that we see in the three large cities that are the subject of this report. The remaining schools are either working with the New American Schools project or the Annenberg Institute for School Reform, both of which received large grants from the Annenberg Challenge.

Each urban effort was led by a board drawn from local foundations, universities, community groups, business leaders, people working in schools, and others active in local reform projects. Central staffing was to be kept small; the terms of the grants specified that no more than 10 percent of grant funds could be spent on administration or overhead. Ninety percent of the funds was supposed to benefit schools or programs targeted at schools.

Annenberg grants were made to the communities and organizations named in Table 1.

Table 1

Site	Grant Name	Grant Award
Large Urban Grants		
San Francisco Area	Bay Area School Reform Collaborative (BASRC)	$25 million
Boston	Boston Annenberg Challenge	$10 million
Chicago	Chicago Annenberg Challenge (CAC)	$49.2 million
Detroit	Schools of the 21st Century Initiative	$20 million
Houston	Houston Annenberg Challenge	$20 million
Los Angeles	Los Angeles Annenberg Metropolitan Project	$53 million
New York City	New York Networks for School Renewal	$25 million
Philadelphia	Children Achieving Challenge	$50 million
South Florida	South Florida Annenberg Challenge (SFAC)	$33.4 million
Rural School Reform		
(National)	Rural Challenge	$50 million
Arts Education Grants		
Minnesota	Arts for Academic Achievement	$ 3.2 million
(National)	National Arts Education Consortium	$ 4.3 million
New York City	Center for Arts Education	$12 million
Special Opportunity Grants		
Atlanta	Urban Atlanta Coalition Compact	$ 1.5 million
Chattanooga	Success for All Students	$ 4 million
Chelsea, Mass.	The Boston University/Chelsea Partnership	$ 2 million
Salt Lake City	Vanguard Initiative	$ 4 million
West Baltimore	Baltimore New Compact Schools	$ 1 million
Total		**$367.6 million***

*An additional $132.4 million was given to national school reform organizations, bringing the total up to $500 million.

Annenberg Challenge grants required recipients to raise matching funds from public and private sources before Annenberg funds could be drawn upon. The matching requirements varied from place to place. The grants to urban school districts include a one-for-one match in Los Angeles and a three-for-one match in the San Francisco Bay Area, with the remaining urban grants requiring two local dollars for every one from Annenberg. No more than 50 percent of the matching funds was to come from public sources.

"The experience of three large cities sheds light on the prospect of systemic reform occurring from within using money from without.

Evaluation is Complex

The Annenberg Challenge also required each grant recipient to arrange for a local evaluation of its effort, to be underwritten by grant funds. The Challenge adopted a "theory of action" approach to evaluation. As the Challenge's web site describes this approach, the most useful evaluations produce information and understanding that strengthen programs while they are still unfolding as well as providing a basis for making judgments about their ultimate worth. The Challenge's theory of action approach to evaluation accommodates both these formative and summative needs. It is also particularly appropriate given the evolutionary nature of each site's effort.

A "theory of action" is defined as having three facets: its espoused theory (what it explicitly aims to do); its design theory (the implicit aims of its approach); and what it actually does. This approach allows for the possibility that "any of the components of an overall theory of action may lack coherence, and the three facets may not be perfectly congruent with each other." Little is said in Challenge documents about the relationship of a project's design (what it proposes to do) and its actions (what it actually does) to its outcomes for students.

By the time it issued its own midterm report in April 1999, the Annenberg Challenge was making much more muted claims of success than the bold words uttered at its inception would have suggested. Among its midterm claims: that it had "focused attention on critical issues, brought forward diverse voices, and seeded new alliances supportive of reform." It concluded that the overall effort was "leaving small yet encouraging footprints in the larger educational systems."

In its midterm report, the Annenberg Challenge did take credit for and document some successes in individual schools. There is no doubt that some schools participating in the Challenge are doing interesting things that will likely provide valuable lessons to future reformers. Nor is there doubt that some students are benefiting from the Annenberg-funded work going on in their schools. Yet the Challenge had set a loftier goal for itself at the outset. Improving individual schools was exactly what proponents of charter schools and vouchers said their reforms would accomplish. The Annenberg Challenge, by contrast, set out to reform the entire school system. By midterm, however, its claims of systemic change were softened, though it did suggest that funded schools had begun to put into place reforms that would lead to such change in years ahead. The experience of three large cities, New York, Chicago, and Philadelphia, sheds some light on the prospect of systemic reform occurring from within using money from without.

A Small Footprint on the Nation's Largest School System

Raymond Domanico

Autumn 1993 was a time of great political upheaval in New York City. In November, Rudolph Giuliani was elected mayor on the Republican ticket, the first Republican elected since 1965. Unlike the previous Republican mayor, John V. Lindsey, who ushered in the largest expansion of social programs in the city's history, Giuliani had conservative credentials from his days as a crime-busting federal prosecutor. His defeat of the city's first African American mayor, David Dinkins, coupled with the controversial ouster of popular schools chancellor Joseph Fernandez earlier in 1993, had educators and many "reformers" in the city in a state of high anxiety. Come January, no one that they had been used to working with would be in either City Hall or the chancellor's office.

It was in this uncertain environment that representatives of the Annenberg Challenge approached Deborah Meier in late 1993. Meier had achieved national acclaim for her twenty-plus years of work in East Harlem, where she had created the Central Park East schools. This network of public schools included elementary, middle, and high schools, all built around a strongly held vision of progressive pedagogy and democratic, participatory governance. Among the core elements of these schools was a demonstrated belief in the educability of every child; a belief that education decisions should be made collectively by the professionals at the school, not by some distant bureaucracy; and profound mistrust of standardized testing as the sole reliable measure of school performance. These schools all had highly developed portfolio-assessment systems in place; students did not graduate until they demonstrated multiple proficiencies to a panel of adults.

School Networks as an Organizing Principle

Meier's early work had a great influence on Theodore Sizer, whose nationwide Coalition of Essential Schools espoused the values and practices that Meier had shown to be successful in New York. In the 1980s, Meier had founded the Center for Collaborative Education (CCE), a local affiliate of the Sizer Coalition, and had begun to extend her reach to include the development of a network of new schools within the New York City system. Sizer, who was serving at Brown University at the time of the Annenberg Challenge's inception, was tapped as an early advisor to the national Annenberg project. It was in this role that Sizer approached Meier and asked her to put together an Annenberg-funded

project for New York City.

Perhaps because of the political instability in the city at the time, or because of the long-standing professional ties between Meier and Sizer, Annenberg's approach to New York differed from its approach to other cities. The Challenge chose a reformer who, although a principal in the public school system, had her own base of operations and power somewhat independent of that system. The Annenberg program did not approach the system itself. Nor did it make an open offer to all groups in the city through a request for proposal (RFP) or other form of competitive process.

Despite the appearance of a "sole source" or an "inside deal," the approach to Meier was not unreasonable on its merits. She had a strong vision of school reform; she had been articulating that vision all across the country; and, at the time, she was arguably the most successful educator in New York City. Were it not for the fact that the city Board of Education preferred weaker-willed individuals in the Chancellor's post, she would have been an obvious choice to succeed Fernandez.

Small schools in New York were a home-grown adaptation to a vast system whose culture was defined by failure, bureaucracy, political corruption, and indifference.

Her selection by Annenberg's agents also made sense in terms of what seemed like the most promising reform effort operating in the city at the time. Chancellor Fernandez had been forced out of office because of his moves to adopt a multicultural curriculum that, among many other things, promoted tolerance of gays. His lasting legacy, however, was the creation of a large number of small alternative schools, many of them inspired by or associated with Meier. By late 1993, this "small schools" movement was the approach that most national observers associated with education reform in New York City.

Small Schools: The Dominant Reform Agenda of the Time

Small schools in New York were a home-grown adaptation to the conditions present in a vast system whose culture was defined by failure, bureaucracy, political corruption, and indifference. The movement began in the mid-1970s with Meier and her colleagues in East Harlem. With the support and encouragement of that district's local superintendent, Anthony Alvarado, and his deputy, Seymour (Sy) Fliegel, teachers in East Harlem started a string of successful alternative schools. Fliegel went on to establish the Center for Educational Innovation (CEI) at the Manhattan Institute, a conservative public-policy think tank. The stated purpose of the CEI was to promote parental choice within the public school system and to work with local superintendents to establish small alternative schools. Unlike Meier's CCE, which had a particular pedagogic vision, CEI was more eclectic in its approach, supporting, within limits, whatever vision local educators wanted to promote in their own schools. Throughout the early 1990s, both CCE and CEI worked within the New York City system to help local educators establish small schools of choice. Yet neither group enjoyed the full support of the system's leadership. Small schools occupied a strange niche in New York City. The system would occasionally engage in bouts of rule enforcement, creating difficulties for these small schools, but it largely let them be. If CEI, for example, could convince one of the thirty-two local superintendents to establish small schools, it was unlikely that the central administration would even notice, let alone get in the way.

Fliegel, in particular, preached a message of "creative noncompliance," urging local educators to do what they thought was right for children even if this meant bending a few rules. He argued that the system was unlikely to mess with success, considering how many education disasters faced it, and he was largely right. If Fliegel and the CEI preferred to fly underneath the radar, however, Meier and her colleagues at CCE had some issues with which they wanted to confront the school system. They saw the system's efforts to establish central, citywide curricula, assess-

ment procedures, and management schemes as hostile to their own efforts to run schools as the educators in them saw fit. Yet Meier and CCE also believed strongly in public education and the public school system. To some observers, it looked as if Fliegel and his compatriots simply wanted to be left alone by the system, while Meier and her group wanted to change the system along the lines of their own vision of what worked best for kids.

Around 1992, Chancellor Fernandez began to embrace the small-schools movement. In doing so, he turned to a third nonprofit organization, then called the Fund for New York City Public Education. The four-year-old Fund was far larger in scope and budget than either CEI or CCE. Governed by a board of trustees that included the chancellor and the heads of both the teachers' and principals' unions, as well as leading business people, the Fund was comfortable supporting the chancellor's vision of school reform. It had largely been the Fund's responsibility to raise private funds to support the preferred programs of the school system's leadership. It had extensive ties to private donors and worked hard to refine the system's programs and assemble the money needed to mount them. With this insider status, the Fund was able to raise hundreds of millions of dollars to support school-system initiatives. (At the time, both CEI and CCE had annual operating budgets in the range of one to two million dollars.)

Chancellor Fernandez asked the Fund to design and oversee a request-for-proposal process for groups of educators and community-based organizations that wanted to sponsor the development of new, small schools in the city. In its first round, the Fund helped to establish fifteen New Visions schools. (The Fund subsequently changed its own name to New Visions, and it will be referred to as such in the remainder of this report.)

Annenberg had made it clear that whatever proposal emerged would have to have the sign-off of both the chancellor and the mayor.

Partners in Politics and Education

When the Annenberg Challenge invited Deborah Meier to develop a project in New York, she reached out to both CEI and New Visions. Her CCE and these two groups had all been working on developing small schools in New York, and CEI and New Visions brought other assets to the table. Annenberg had made it clear that whatever proposal emerged would have to have the sign-off of both the chancellor and the mayor. In addition, the Challenge grant would have to be matched by one dollar of private money and one dollar of public money for each Annenberg dollar. Simply stated, CEI, with its Manhattan Institute ties, was the only school-reform group in the city that had any chance of getting support from the newly-elected mayor. (Giuliani had attended policy conferences at the Institute and had sought advice from Institute scholars during his campaign. The author of this report wrote Giuliani's 1993 position paper on education while serving as director of CEI.)

New Visions, on the other hand, had the relationships with local foundations that would be necessary to raise the private matching funds. It also had the scale and infrastructure to manage a grant of the size that Annenberg was proposing. New Visions had enjoyed warm relations with each of the chancellors who had been in office since it was established, and there was no reason to doubt that it would enjoy a similar cordiality with the newly-installed Ramon Cortines.

The relationship of the three organizations was not based simply on political expedience. Although CEI and CCE had done little together officially, Meier and Fliegel had worked together for decades and greatly respected one another. CCE had worked with New Visions on both the small-schools project and a New Visions effort to change citywide assessment practices.

A fourth organization, ACORN (New York

Association of Community Organizations for Reform Now), was also able to work its way into the coalition seeking the Annenberg grant. ACORN is a very liberal grassroots organization that has worked on housing, education, and other social issues in low-income communities in New York City. On the education front, ACORN had sponsored a New Visions high school and had agitated against the stringent, examination-based standards for admission to the city's elite high schools (Stuyvesant, Bronx Science, and Brooklyn Tech).

Together, these four organizations appeared to offer what many saw as the best hope for reforming New York City's public education system. The system itself was moribund. Politically fractured after battles over multicultural education and condom distribution by the high schools, it was showing few signs of improvement. Its two previous chancellors had been recruited from other cities after nationwide searches; this was quite unusual in New York. But one died in office and the second, Fernandez, was forced out of office before his major reforms had yielded much improvement in student achievement.

> The dynamics of four separate groups searching for a common agenda and the means to divvy up the grant funds subverted broader goals.

Finding Enough in Common to "Get The Grant"

After several months of discussion among CCE, CEI, New Visions, and ACORN, a proposal was approved by the Annenberg Challenge. The grant totaled $25 million over five years. The grantees were required to match each Annenberg dollar with one dollar in public money and one dollar in private money. New Visions became the groups' fiscal agent, and a new organization with its own small staff was established under the name of the New York Networks for School Renewal. The mayor, the chancellor, the president of the Board of Education, and the president of the United Federation of Teachers signed on as public partners and still serve as the project's steering committee.

The fourth coalition member, ACORN, got a smaller piece of the pie. The Annenberg grant allowed it to sponsor additional elementary and junior high schools, but it would remain the smallest of the four grantees.

During the months of discussions about the project's design, it became clear that the four organizations actually had little in common in their approach to school reform. They shared a common belief in small schools but approached their development in different ways and with different purposes. According to one former senior staff person from New Visions who was privy to the discussions, "These were four organizations with very different interests. It was more like an effort to retrofit their programs to what they thought the foundation wanted than it was an effort to come together around a common goal. It was very frustrating; there was no trust among the four groups and there was no willingness to compromise beyond whatever was needed to get the grant money." According to this same person, an inordinate amount of time was spent "divvying up the money" and arguing about control of the project. These reports were confirmed by a former staffer from another partner organization.

What emerged from these discussions was agreement that the project would have small schools at its core and that all key decisions would be made by the heads of the four organizations. A decision was also reached to divide the grant funds among the four organizations in proportion to the number of small schools that they brought to the project. This apparently led to an effort on the part of the organizations to fit more schools under the rubric of "small" schools in order to qualify for more grant funds. Of the four organizations, CEI had greatest difficulty in providing a stable list of the schools participating in its project at the time. According to former staff of both CCE and New Visions, heads turned when the list ultimately provided by CEI included a number of large schools in very traditional school districts that had no track record of sup-

porting small alternative schools.

At its outset, the three publicly stated goals of the New York City Challenge grant were to increase the number of small, excellent schools of choice in New York City, to change the educational system so that it better supports and maintains such schools, and to effect systemwide public school reform.

Yet the dynamics of four separate groups searching for a common agenda and the means to divvy up the grant funds quickly subverted the first of these goals. Because the partners could only agree to divide the funds based upon the number of schools already participating in their projects, a list of one hundred participating schools "appeared overnight," according to one staffer close to the action. Of the four groups, New Visions apparently made the clearest effort to start more new schools with its grant funds. It mounted a whole second round of the RFP process to start additional schools with its share of the money. The other organizations opted to use the bulk of the money to shore up their existing schools. As a result, most of the schools that are identified today as participating in the New York Networks project had actually been established before the Annenberg Challenge was ever announced. Some began shortly before the Annenberg Challenge, but many had been operating for years. They may well have needed shoring up and may well have benefited from participation in the Annenberg project, but their presence indicates that the project did not stay focused on its stated intention "to increase the number of small, excellent schools of choice in New York City."

The notion of the network as governing structure was expanded to the idea of "learning zone"—a separate school district that would house the schools participating in the Annenberg project.

Not Enough in Common to Fight for Change

The tension among the four groups also weakened their efforts to pursue the second and third of the project's goals: bringing about systemic change to support small schools and effecting systemwide reform.

The very name of the project, the New York *Networks* for School Reform (emphasis added), reflected the approach that Deborah Meier espoused for school governance. At the time of planning for the Annenberg grant, there was a lot of talk in New York about overhauling the system's governance, a worn-out hybrid of central bureaucracy headed by a citywide chancellor and thirty-two semiautonomous local districts, each with its own elected board and appointed superintendent. About half the local boards had proven themselves to be corrupt or incompetent or both. Voter turnout in local board elections was as low as 8 percent. The central bureaucracy was overgrown and unable to act. At the same time, many of the educators and parents in the small schools felt overburdened by both their local district and the central bureaucracy. Small schools led a precarious existence; a number of them were either closed or severely impinged upon by a change in local superintendents.

It was within this climate that Meier proposed the concept of networks as a means of governing small schools. Her notion was that small schools would be allowed to band together voluntarily. The network would function as both a professional development and governance body. The term often used to describe the network was "critical friends." Schools in such a network would conduct intervisitations and offer constructive criticism. They would set their own rules for membership. The fact that small schools were, usually, schools of choice meant that accountability to the public was already taken care of; the network would represent accountability to a standard of professional practice. At the core of this notion was the belief that, as professionals, educators should be accountable to their profession and to other professionals, not to administrators in district or central offices.

The notion of the network as governing struc-

ture was expanded to the idea of a "learning zone"—essentially a separate, nongeographic school district that would house all of the small schools participating in the Annenberg project. Schools would be organized into networks within the Learning Zone. This concept entered the core of the New York Networks proposal and became its proposed "systemic reform."

The project set out to negotiate creation of the Learning Zone with Chancellor Cortines. He was an active participant in discussions with the New York Networks. The concept was challenging to the system, however, as the bureaucracy was being asked to give up its most precious commodity—control. The four organizations were not in the strongest position to negotiate major change, as support for the network idea and the Learning Zone varied greatly among them. By most accounts, CCE most strongly supported the networks concept, while CEI was most ambivalent. The leadership of New Visions made valiant efforts to piece together a compromise position that had both conceptual integrity and political feasibility.

The "learning zone" concept was challenging to the system, as the bureaucracy was being asked to give up its most precious commodity—control.

Staff from CEI have been forthcoming about the ways in which their view of the networks differed from CCE's and perhaps from New Visions'. According to Colman Genn, senior fellow at CEI, they did not see the networks as a form of governance. They had little interest in altering the structure of the district system, as their strongest working relationships were with local superintendents. They believed in working through the existing structure and saw efforts to undermine it as counterproductive and futile. (In later years, however, CEI would become the strongest supporter of charter schools in the city.)

Staff people close to discussions about the Learning Zone report that the lack of cohesion among the four partners became clear to the leadership of the school system and probably undermined the effort. At points in the discussions, leaders of individual organizations even entered into independent negotiations to get the concessions they felt they needed for their schools.

At the same time, the system's leadership was again in turmoil. Chancellor Cortines and Mayor Giuliani never established a working relationship, and within their first year in office, it became clear that they were not going to be able to work together. Cortines "resigned" after one of many bouts with the mayor, then rescinded his resignation a few days later. Cortines was popular and the mood of the city seemed to be "give him a chance"; but the Mayor was unyielding, and Cortines finally left after less than two years in office. At the time of his resignation, the negotiations with the New York Networks had yet to yield major policy concessions.

Cortines was followed as chancellor by Rudy Crew. The Networks team initiated discussions with Crew and his top staff regarding the Learning Zone shortly after his arrival in town. However, the tensions within the group were evident to outsiders. It was also apparent that the Crew team was making its own assessments of what must have appeared to them a chaotic and fractured political scene.

Like most new administrations, Crew and team sought to start fresh, with their own agenda for reform. The Annenberg Challenge had been in operation for a while in New York and did not coincide very well with Crew's priorities for school reform. In his first year, Chancellor Crew made a number of statements that seemed to indicate lack of support for small schools in general. Though he eventually voiced support for them, the uncertainty and ambivalence of his position made policy-level support for the Learning Zone or Networks unlikely. In fact, the Annenberg partners had to renew an advocacy campaign for the simple survival of the small schools themselves.

Systemic Change Comes to New York

Though it had little to do with the Annenberg Challenge, large-scale change did come to New York City's public schools in the years after the Challenge started and Crew became chancellor. This change took three forms: a dramatic overhaul of governance; imposition of tough, statewide academic standards; and finally, implementation of a charter-school law. Chancellor Crew fought hard for the first, put up with the second, and opposed the third, though he went through the motions of embracing it after it was enacted. Meanwhile, the Annenberg partners in New York had divergent views on all three reforms. Only CEI took a strong stance in favor of charter schools. CCE and New Visions seemed at times to lead the opposition to statewide standards.

> Crew and team sought to start fresh, and the Annenberg Challenge did not coincide very well with Crew's priorities for school reform.

A Late Night in Albany: December 1996

In the early hours of December 18, 1996, the New York State Legislature enacted sweeping changes in the structure and governance of the City's school system. Urged on by editorial boards and business groups, the legislature and governor gutted the community school-board system and reinstated centralized control. In the process, they greatly strengthened the ability of the chancellor to hire and fire local superintendents and principals. Under the new setup, the chancellor selects community superintendents as his middle managers. He and the superintendents also have the power to transfer or remove principals for persistent educational failure. By early 2000, those powers were further strengthened by a collective-bargaining agreement that abolished tenure for principals in return for a hefty salary increase. The law also makes clear the power of the chancellor to intervene in any district or school that persistently fails to achieve educational results according to standards approved by the city board or established by the state Board of Regents.

Community school boards lost all real power. They now have the right to "employ a superintendent selected by the Chancellor." Parents were given an advisory role. After a three-year phase-in, they now have an equal number of seats as school staff on local school councils; these councils will be allowed to give advice regarding the school's budget, which in turn can be "reviewed, modified or approved by the community superintendent."

The Commissioner Changes His Stripes

The second systemic reform came from a most unlikely source. Richard Mills had previously served as commissioner of education in Vermont when he was tapped by the New York Board of Regents to become commissioner of the Empire State's schools. Mills was not well known in New York at the time, but educators were aware of the portfolio-assessment system he had instituted in Vermont. A similar system of student assessment was at the core of many of the city's progressive schools, including those affiliated with CCE. In addition, New Visions had been working to develop alternatives to standardized assessment.

However, Mills had apparently become disenchanted with the portfolio system. In any case, upon arriving in Albany, he embraced the national movement for rigorous academic standards as assessed by some form of standardized testing. In less than two years, he pushed through a revamping of the state's assessment system. His program completely overhauled high school graduation requirements. Those changes, now being phased in, will require all public school students in the state to pass five-subject Regents examinations before they can be awarded a high school diploma. (These exams had previously been administered only to the most academically proficient students.) At the time of the policy

changes put through by Mills, it was estimated that fewer than 15 percent of the students in New York City's public schools were passing these five tests. Most were not even in Regents-level classes.

A coalition of schools associated with CCE and New Visions has been the strongest opponent of using the Regents exams as the primary barrier to graduation. These schools remain wedded to the alternative-assessment model and have continued to seek a waiver from the Regents requirement for their students. Commissioner Mills has turned down their request for a waiver from the English Regents exam, making the rather commonsense point that a test of reading and writing might, in fact, be the best or only way to assess reading and writing skills. However, he did signal a willingness to consider the possibility of alternative assessment in other subject areas.

Another Late Night in Albany: December 1998

Charter schools were the subject of public debate in New York State for much of the 1990s. The legislature largely ignored the issue because of steadfast opposition from the most powerful political force in the state—the New York State United Teachers, an affiliate of the American Federation of Teachers. Discussion of the charter idea was kept alive largely by the Manhattan Institute, then still the parent organization of the CEI, and another statewide conservative thinktank, Change-NY/The Empire Foundation. Other groups, business leaders in particular, took the position of being "not opposed" to the charter concept. Governor George Pataki, a Republican, had embraced the policy late in his first term in office, but a bill introduced in late 1997 died in committee. At the end of 1998, however, the governor held a trump card: legislators wanted a payraise for themselves. In an unabashed display of political dealmaking, he called the legislature back into session in late December to consider two items: their pay raise and charter schools. After the obligatory speeches about subversion of the process and the unseemly linking of the two issues, the legislature passed the state's charter-school bill, which was promptly signed by the governor, along with salary increases for the lawmakers.

The charter law enacted in New York was medium strong. It allows one hundred schools to be opened, half of them approved by the state Board of Regents (controlled by the Democratic assembly) and half by the Trustees of the State University of New York (controlled by the Republican governor.) Schools that start with fewer than 250 students are exempt from existing local labor contracts.

The partners in the Annenberg-funded New York Networks project make no great claims for their role in or impact upon these three major changes that the school system underwent as they were going about their work. CEI did as much as any group in the state to promote charter schools and deserves credit for doing so. When asked if he thought that the charter law occurred partially because of the Networks project, Colman Genn of CEI responded, "Not really; many people, including us, were promoting charters." Similarly, New Visions worked hard to try to build a consensus around governance reform, yet the major architects of the reform that actually emerged from the political process were the teachers' union and the city's major business group, the New York City Partnership. The state's move to embrace academic standards was generated largely by the commissioner, who deftly seized a political moment for that mode of reform.

The Annenberg Challenge may have had some positive impacts on individual schools and children in New York City, but it had little to do with effecting any systemic change.

If the Annenberg Challenge did not cause systemic change in the city schools, it did prepare some schools to take advantage of those changes when they occurred. Indeed, the first two New York City schools to convert themselves into charter schools had been participants in the Annenberg process. But they, too, had been in

existence long before the Annenberg Challenge. Both were housed in a local community college and were nontraditional from the outset. They would have been prime candidates for conversion to charter status with or without the Annenberg program.

In the end, the Annenberg Challenge may have had some positive impacts on individual schools and children in New York City. By almost all accounts, however, it had little to do with effecting any systemic change in the city's schools. Changes did occur, some of them dramatic, but one is hard-pressed to find a connection between the Annenberg project and those changes.

What Do the Annenberg Grantees Claim to Have Accomplished?

Evaluators of the New York Networks project, led by a team from the Institute for Educational and Social Policy at New York University, have issued two data-based reports to date. The first presented a statistical profile of the students attending Networks schools and made a convincing case that these schools were not simply skimming the best kids from other schools. The data indicated that the Annenberg schools were serving higher percentages of students of color and poor students than the city school system as a whole. Networks high schools served proportionately more students who were over age for their grade, a prime risk factor for dropping out.

> The largest impact is likely to be seen not in the schools, but in the nonprofit organizations that were recipients of the funds.

The NYU researchers also found that 12 percent of Networks students were English Language Learners, i.e., bilingual students, a figure slightly lower than the norm for city schools. Also, 3.9 percent of all Networks students in 1995-1996 were special-education students, increasing to 5.2 percent in 1996-1997. Again, these figures are below the norm for the city, where over 11 percent of students are classified as disabled.

The second report issued by the NYU evaluators gave an initial glimpse of the academic performance of students in Annenberg-funded schools. The data presented in that report compared individual-student performance in 1996 and 1997 in the eighty schools found in the first cohort of the Networks program. The researchers found that the percentage of students in these schools who read at or above the national norms rose from 36 percent to 41 percent, an increase of 5 percent. The report went on to note that the lowest-scoring students experienced the greatest gains, with 34 percent of Networks students in the lowest quartile nationally in 1996 and only 28 percent in the lowest quartile a year later.

In a city whose schools are characterized by high pupil mobility, the evaluators found that Networks schools demonstrated greater holding power than other public schools. More than 94 percent of the elementary and middle school students in Networks schools ended the 1995-1996 school year in the same school they started, compared with 91 percent for the city system as a whole.

Overall, these results are positive, although slender. Of course, the data cover just one year of participation in the Networks project. It remains to be seen whether the schools have been able to build upon this early success or slipped backward in subsequent years. In many ways, the modest improvement reported in the first year of the Annenberg project mirrored that of other reform efforts that have been mounted in New York City over the years. The challenge remains the same for all such efforts. There is a widespread consensus that city schools are nowhere near where they need to be in terms of student achievement; witness the current 60-70 percent high school graduation rate. With the state upping the ante significantly with its new graduation requirements, all schools are being asked to improve at a much faster pace than the Networks schools were able to accomplish.

Modest Policy-Level Reforms

If the New York Networks project did not

effect large-scale change in the nation's largest public school system, it should be given credit for stabilizing the situation of small schools in the city. Partially because of the Annenberg partners' efforts, the city's small schools are now officially recognized by the school system. Their academic performance is now reported to the public, where it used to be hidden in data for the schools in which the small schools are housed. The system has also put in place, for the first time, written procedures and guidelines for the establishment of small schools, minischools, and schools-within-schools. In the past, such procedures were haphazard, and the process of establishing schools depended upon the political pull of the sponsoring organization as much as the merit of the proposal. The Annenberg partners were the prime movers outside the system for adoption of these guidelines and worked hard to ensure that small schools got an even break in the difficult process of institutionalization.

> The Annenberg partners will be in a position to continue to nudge the system even when the Annenberg money has gone.

Having gotten what they could from the school system, the Annenberg partners tended to drift away from their initial goal of systemic reform to a more practical approach of doing what they could for the schools in their own projects. A major private funder of the New York Networks project, Time Warner, did not finalize the requirements of its grant until well into the project's implementation. At that point, the partners and funders decided to put the Time Warner money into a program that would support new teachers in the participating schools and into the establishment of Time Warner computer labs in a subset of the schools. Generally speaking, the partners did more of this type of augmentation of existing schools than new school start-ups in the later years of the project. The willingness of the Annenberg partners to create new schools had been greatly attenuated in the later years of the project, perhaps because of Chancellor Crew's coolness to the small-schools effort. As a result, they chose to direct private money into the schools that they had sponsored either prior to or at the inception of the Annenberg project.

What Has Annenberg Left New York?

Today, there are 120 public schools listed as participating in the New York Networks project, which is now in its final months of spending the Annenberg grant. As the project comes to a close, it appears that these dollars will leave three things behind in New York City. The largest impact is likely to be seen not in the schools, but in the nonprofit organizations that were recipients of the funds. Three of them, the Center for Educational Innovation, the Center for Collaborative Education, and ACORN, are now larger and better established than prior to the Annenberg funding. None had ever received funding of this magnitude before. CEI was able to break away from the Manhattan Institute and now exists as an independent corporation with a staff two to three times its previous size. Both ACORN and CCE also show signs of being more established in school reform and improvement in the city. CCE seems to have successfully weathered an important transition point for nonprofits as its founder, Deborah Meier, left the city to start a charter school in Boston after the first year of the Annenberg project. New Visions, which was always large, has announced the establishment of a project to assist charter school start-ups. CEI has announced a similar venture. New Visions will have to navigate a transition similar to that of CCE. Its founding president and CEO, Beth Lief, is leaving to cofound a for-profit, internet start-up corporation dedicated to teacher training.

The strengthening of these organizations is not a bad thing. A school system as large and complex as New York City's is not a place where creativity bubbles up from inside. The impetus to do something different often comes from outside, and the Annenberg partners will be in a

position to continue to nudge the system even when the Annenberg money has gone. Some readers of this report will no doubt fault the stances taken by these organizations, particularly in regard to academic standards and charter schools. Whatever their stance on such policy issues, however, both CCE and New Visions have a record of honorable work in creating good schools of choice for New York. In a system in which innovation and success have been rare, their work has been important.

Beyond its impact on the participating nonprofits, there are some discernible impacts of the Annenberg funding upon schools and students in New York City. The 120 schools participating in the Challenge received some money or technical assistance from its sponsoring organizations. Most of these schools would have existed today whether or not Annenberg had ever funded the New York City effort. Yet it is probably also true that the Annenberg dollars gave them a leg up in a school system notoriously hostile to schools that choose to do things differently. Part of the Annenberg legacy, then, is that these schools now have a recognized niche in the school system. There are now rules governing their start-up and existence. The teachers' union has even made (minor) accommodations to allow these schools greater say over staffing. The principals union pressed a case for requiring heads of these schools to be licensed administrators. They won that point over the strong objections of the small-school advocates, but the outcome has not been as dire as feared.

While the small schools have found a more secure niche, perhaps because of the Annenberg efforts, it is also clear that today there is less energy devoted to starting small public schools in New York than there was prior to Annenberg. This is a conundrum of philanthropic efforts. The five pre-Annenberg years were the prime period of new school start-ups. The chancellor supported the effort, and there was a genuine belief that these new schools might succeed where traditional schools had failed. The Annenberg money consolidated those efforts but could not overcome indifference to small schools that arose from two sources. The first was Chancellor Crew, who had no interest in embracing the small-school movement as the core of his efforts. In failing to do so, he was clearly in touch with the larger politics of the day, which was moving hastily towards tougher standards and homogenization of curriculum and practice for schools. The notion that school-level innovation would foster meaningful improvement lost its luster in New York at some point in the midst of the Annenberg effort.

The second source of indifference to small schools was likely the experience of the schools themselves. As they came into being and started producing results, the hopes that had accompanied them were tempered by their reality. Some small schools in the city have performed marvelously. Most have done at least as well as the rest of the system, if not a little better. Some have looked a bit eccentric, even flaky. Some have been outright disasters. Overall, their performance is not as compelling as the hopes that were held out for them.

Overall, the performance of small schools is not as compelling as the hopes that were held out for them.

The following table displays the performance of the Annenberg-funded schools for which data are readily available. It is not meant to provide a definitive evaluation of the project, but indicates that these schools are performing at just about the average level of New York City public schools. Data are presented for the percentage of students passing state tests, indicating that they are on the path to attaining the state's new and tougher high school graduation standards, and for the percentage scoring at the lowest of the tests' four reporting categories. These students are achieving at a level so low that it is unlikely that they will ever be able to graduate from high school without radical improvement.

The elementary schools in the Annenberg Challenge perform slightly better than the city-wide average on fourth-grade tests administered

by the state. The intermediate and junior high schools perform the same or slightly worse. At both levels, however, fewer students are to be found at the bottom, perhaps indicating that it's tougher for kids to fall through the cracks in smaller schools.

The Annenberg-aided intermediate and junior high schools actually did slightly worse than the citywide average on the eighth-grade state tests. However, they, too, had fewer kids in the bottom level than the average city school. The high schools in the Annenberg project were able to graduate students at the same rate as the citywide average, although these data refer to the first cohort of children to pass through the small schools. Given the rocky start-up year that many

Table 1

Comparison of Schools Participating in the New York Networks Project with Citywide Averages on State Reading and Math Tests, 1998-1999 and June 1998 Graduation Rates

Elementary Schools: State Grade 4 Reading and Math Tests

	Thirty New York Networks Schools	Citywide Average	Statewide Average
Reading:			
Passing	41%	33%	57%
% Students in Lowest Level	17%	21%	na
Mathematics:			
Passing	54%	50%	57%
% Students in Lowest Level	14%	19%	10%

Intermediate/Junior High Schools: State Grade 8 Reading and Math Tests

	Twenty-Seven New York Networks Schools	Citywide Average	Statewide Average
Reading:			
Passing	34%	35%	49%
% Students in Lowest Level	15%	17%	9%
Mathematics:			
Passing	22%	23%	38%
% Students in Lowest Level	44%	48%	29%

High Schools: Four-Year Graduation Rate, June 1998

25 NY Networks Schools	Citywide Average
49%	50%

of these schools had, it is worth noting the possibility that their performance will improve with subsequent cohorts.

The Overall State of the School System at Annenberg's Conclusion

The overall state of the New York City school system as the Annenberg Challenge winds down could fairly be termed low performing. That condition is evident in Table 1. Unless the New York State Education Department has erred badly in determining what it is that students should be achieving, the entire system—small schools and large schools alike—is still miles from where it needs to be. Just one-third of New York City's fourth-grade students passed the state reading tests and less than a quarter of its eighth graders passed the math test. As these children move into high school and encounter the state's tougher graduation requirements, the already low graduation rate of 50 percent will tumble below 20 percent, unless radical improvement is made very quickly.

The need for that improvement has long been clear to those who have taken time to look at what has been going on in the vast majority of city schools. The biggest change to hit the schools in the past five years, the change that has swamped the Annenberg effort, is the fact that state authorities are now owning up to the extent of this failure. In this new light, it makes little difference whether the Annenberg schools are doing a few percentage points better or worse than the citywide average. Neither does it matter whether the entire city system's reading scores are improving by two or three points a year, as former Chancellor Crew was proud to point out. The fact is that an $11 billion system which has been succeeding with about half of its students is soon going to be failing with three-quarters or more of them. Marginal improvements will not change that scenario.

Marginal change, however, is what entrenched systems are about. The Annenberg project has probably fared about as well as most of the other school-improvement schemes that have come and gone in the city schools. What is more disappointing this time is that the Annenberg partners had so much private, and therefore unfettered, money. The instincts that led the Annenberg people to attach such grand hopes to their generous gift were legitimate. Yet the outcome of minimal systemic change is typical of efforts that handed out money without advance assurance that the system would make real and lasting change.

> In the world of urban school systems $25 or $50 or even $75 million dollars is a pittance. The New York City school system spends over $11 billion per year.

Is That All You Can Get for $75 million?

Some of the failure to achieve lasting systemwide change in New York with the Annenberg money can be laid at the feet of the local partners. They were tackling a large system that had long been impervious to change, and they were not very cohesive in their goals or actions. At least one of the partners seemed hostile to large-scale change. It was more comfortable working within the system as it was. The lack of a united front surely reduced the possibility that the project would wrest major concessions from the system. Yet the partners were, in many ways, acting about as one would expect them to act.

There is a common misperception that nonprofit organizations are somehow above mundane self-interest, able to sacrifice their own priorities for the common good. Grant-making foundations seem to have a soft spot for coalition efforts. "Wouldn't it be nice if we could all get together and agree upon common goals and strategies?" goes the refrain. But nonprofits face the same competitive pressures as profit-making corporations. All three of the major partners in the New York Networks project were less than ten years old. One, CEI, was not even an independent organization, and faced its own internal challenges and pressures. All three had day-to-day needs to raise funds to meet their expenses.

It should have been no surprise that the possibility of large-scale funding by the Annenberg Foundation, to be matched by local foundations, led some, if not all, of the partner organizations to seek to maximize their own share of the pot. In the nonprofit world as much as in the marketplace, money is power. It is jobs. It is security and legitimacy.

In the world of tax-supported urban school systems, however, $25 or $50 or even $75 million dollars is a pittance. The New York City school system spends over $11 billion per year. The amount that Annenberg was putting into New York, $5 million per year, is less than the budget of small offices within the bureaucracy. In a system of eleven hundred schools, the annual Annenberg allocation amounted to the annual budget of a single small school. By the end of the 1997-1998 school year, the most recent year for which data are available, New York Networks schools were enrolling fifty-three thousand students, less than 5 percent of the city's public-school population.

Systemwide change is in the end political, and it requires political action. It is not collaborative; it is confrontational to a point and then negotiable.

Where the Annenberg funders may have failed was right at the beginning of their effort. They wanted to change the school system, but they also wanted to support public education against the challenges being posed by advocates of charter schools and vouchers. Because they bought the argument that public education is synonymous with the current form of the school system, they made few demands upon that system before bestowing their gift. In fact, the few demands that they did make likely weakened the hands of the nonprofit partners. By requiring the the sign off of the chancellor, Board of Education president, and mayor, they forced the nonprofits to forge an odd political alliance. By not requiring up-front commitments to fundamental change, they let the public officials off easy.

The Annenberg Challenge in New York asked four nonprofits with little by way of shared self-interest to work together to change a school system that is well designed to deflect all efforts at change. This was likely a losing proposition from the beginning. Yet $75 million could have bought more than the maintenance of a small-schools initiative that had been started with far less money and that actually accomplished more in the years prior to the Annenberg grant than in the years following.

Because the Annenberg effort tied itself to the existing system, it left itself open to exactly what happened, a shift in the political winds that, while not scuttling the project, tended to marginalize it. Requiring 90 percent of grant funds to be spent in schools might sound laudable in terms of putting the money near the kids, but it is not using the money in ways that can cause real change. It is not changing the ground rules of a system that is more driven by issues of control and power than by education.

Urban school systems are political by design, and political change is seldom polite. A private funder is not going to change the school system by giving it more money or by requiring the assent of the same institutions that have presided over its failure for so long. Small, nonprofit research organizations are more likely to succeed at creating isolated examples of success than at changing the system. Such demonstration projects can create knowledge about best practices. Systemwide change, however, is in the end political, and it requires political action. It is not collaborative; it is confrontational to a point and then negotiable. The outcome is determined not by the merit of the ideas but by the relative strengths of the negotiators. Governance reform, charter schools, and the abolition of principal tenure came about in New York because strong-willed politicians, namely Governor Pataki and Mayor Giuliani, chose, by whatever political calculus, to challenge the existing system head on. The Annenberg Challenge opted from the outset not to challenge the system and thereby curbed its own potential.

Grant Brings High Hopes, Modest Gains To Philadelphia School Reform Effort

Carol Innerst

In December 1993, Walter H. Annenberg, Philadelphia publishing magnate and former U.S. ambassador to Great Britain, announced a $500 million gift to public education, to be awarded as challenge grants matched by public and private sources. The following August, David W. Hornbeck arrived in Philadelphia from Kentucky to take on the newest challenge in his career: the superintendency of America's fifth-largest urban school system. Hornbeck had served for twelve years as Maryland's state superintendent and before that as deputy education commissioner of Pennsylvania. He was a well-known advisor and consultant on education reform, prominently associated with Kentucky's complex set of academic standards, accountability arrangements, and school restructurings. And, in fact, he brought with him to Philadelphia a Kentucky-style blueprint for sweeping, systemic reform of the district's 257 schools.

Hornbeck believed that his ambitious ten-point Children Achieving plan would raise the performance levels of all of Philadelphia's 215,000 mostly poor and minority children. The plan was projected to cost nearly $1 billion over five years to implement and another $350 million annually after that to maintain. Hoping that Philadelphia schools and Children Achieving might merit a portion of Ambassador Annenberg's largesse, Hornbeck took his plan, now endorsed by a cross section of local school-reform groups, to the Annenberg Foundation in the nearby suburb of St. David's.

The primary goal of the nationwide Annenberg Challenge was to promote "an unprecedented number of public schools, which in collaboration with their immediate community" would create small learning communities in which each child received individualized attention and worked to high expectations. Through "networks," "clusters," and "collaboratives," these changing and improving schools were to build the local and statewide political, moral, and financial support necessary to sustain public confidence and investment in the public school system.

Hornbeck's Children Achieving plan proved an ideal fit. In January 1995, the City of Brotherly Love became the fourth major metropolitan area to win an Annenberg grant, close on the heels of New York City, Los Angeles, and Chicago. At $50 million, this was one of the largest urban grants made by the Challenge.

The Annenberg Foundation chose Greater Philadelphia First (GPF) as its fiscal agent. Founded in 1983, this nonprofit corporation seeks to advance the economic development and

quality of life of the Philadelphia region. Its governing board consists of thirty-five chief executives of the area's largest corporations. While independent from the school district, GPF had an obvious economic stake in the success of Philadelphia's education reform and was instrumental in bringing Hornbeck to Philadelphia. Faithful to the Annenberg Challenge guidelines, GPF brought together the professional, political, labor, and business leaders of the region to pledge support for the redesign of the city's schools. The Annenberg Challenge required that matching funds be raised on a 2-for-1 basis from other individuals, corporations, and foundations—$50 million in private grants and another $50 million in public funds earmarked for school reform. In 1995-1996 alone, Philadelphia amassed (some say "manipulated" whatever money came into the district) more than $91 million toward the target $100 million in matching funds. Major contributors of $5 million or more included the Pew Charitable Trusts, the William Penn Foundation, the Annie E. Casey Foundation, and the City of Philadelphia.

Although the Annenberg Challenge was formally housed in GPF, another "external partner" played a major policy and financial role. The bulk of some $13 million that the Pew Charitable Trusts channeled to the Philadelphia Education Fund (PEF), a nonprofit clearinghouse and technical assistance group, was allowed to qualify as part of the Annenberg match. Over four years, PEF, which describes its role as "critical friends of the school district," poured $8.8 million from Pew into the Children Achieving agenda. PEF worked closely with the district to design and implement that agenda and was deeply involved in creating curriculum standards and professional development programs for teachers.

By June 30, 1996, GPF had authorized the distribution of $27.2 million in Challenge resources to the school district for Hornbeck's Children Achieving reforms. Two years later, cumulative spending had risen to $113.9 million. Now in its fifth and final year (1999-2000), the $50 million Annenberg grant and $100 million in matching funds have all been allocated. Averaging $30 million a year, the grant funds might seem like a small piece of the district's $1.45 billion operating budget, but they proved to be a significant and precious portion of the superintendent's discretionary budget.

The grant funds might seem like a small piece of the district's budget, but they proved to be a significant and precious portion of the superintendent's discretionary budget.

"That's an important distinction," Hornbeck explains. "So much of our money is pretty well programmed. Federal special education money has to be spent on special education, ESOL [English for Speakers of Other Languages] has to be spent on ESOL, and so on."

The Children Achieving Plan

What distinguishes Philadelphia from other urban school districts participating in the Annenberg Challenge is the broad scope of what Hornbeck hoped to accomplish. It is the only city that attempted to leverage the Annenberg (and matching) dollars to redesign the whole school system—all 257 schools, 13,000 teachers, and 215,000 students. A variety of reforms—some similar to parts of Hornbeck's plans—were already underway in a number of Philadelphia schools. Children Achieving brought these piecemeal efforts under one umbrella and forced the schools to address the entire reform agenda.

Hornbeck's vision for Children Achieving was of small communities of learners that would be the foundation of a decentralized organization. School-based decisions would be made by teachers, students, parents, community members, and the principal, all working together. These schools were to be grouped into networks and clusters. Central administration was to be restructured and made responsible for accountability and equity; it would also provide customer-focused support for instructional, information-management, and administrative services.

"No city with any significant number and diversity of students has succeeded in having a

large proportion of its young people achieve at high levels," Hornbeck stated upon receiving the grant for his reform plan. "Until that occurs, all else in school reform in this country is prelude."

The ten broad goals of Children Achieving formed the starting point for Philadelphia's Annenberg-aided efforts:

(1) Set high expectations for everyone by adopting new standards of performance.

(2) Design accurate performance indicators to hold everyone accountable for results.

(3) Shrink the centralized bureaucracy and let schools make more decisions.

(4) Provide intensive, sustained professional development for all staff.

(5) Make sure all students are healthy and ready for school.

(6) Create access to the community services and supports that students need to succeed in school.

(7) Provide up-to-date technology and instructional materials.

(8) Engage the public in shaping, understanding, supporting, and participating in school reform.

(9) Ensure adequate resources and use them effectively.

(10) Address all these priorities together and for the long term.

Philadelphia is the only city that attempted to leverage the Annenberg dollars to redesign all 257 schools in the system.

Work Plans

The school district and the Challenge jointly organized teams of teachers, school and cluster leaders, district central-office staff, representatives from the community, and school partners such as the Philadelphia Education Fund and local universities. The teams' job was to translate Hornbeck's reform goals into detailed plans in eight areas: standards and assessments, leadership development, community services and supports, teaching and learning, school-to-career transition, public engagement and communications, evaluation, and technology. Successful completion of each work plan entitled the district and its partners to draw upon Challenge dollars.

Writing teams drafted academic standards in six content areas: English language arts; math; science and the arts; world languages; social studies; and physical and health sciences. They also drafted "life skill competencies" in six areas: problem solving; communication; citizenship; school-to-career transition; multicultural competence; and technology. Review teams commented on the standards before their adoption by the school board. Professional development sessions across the school district taught instructional and assessment methods centered on the new standards.

Children Achieving redesigned the system's structure, too, replacing six regional offices with twenty-two clusters of twelve to sixteen or seventeen elementary and middle schools organized around one comprehensive high school. Small learning communities of under four hundred students extended the concept of schools-within-schools (begun under an earlier initiative) to all schools. At the building level, local school councils became responsible for governance and resources. Clusters were designated as the "locus of professional development and social services" for schools and a Teaching and Learning Network and a Family Resource Network were created. More than two hundred teachers became special master coaches, tutors, and mentors in the Teaching and Learning Network. "They get a little more money," Hornbeck explained. "Their job is to work with teachers in schools to help improve instruction."

Much of the Family Resource Network's money went for the salaries of coordinators. Truancy was one of the first problems that the network tackled. As a result, several schools with severe truancy problems now have in-school courtrooms and court officers. Children who miss twenty-five days of school are summoned to this court along with their parents. Because the courts are so accessible, their impact is optimized.

The district adopted new performance-based tests and administered them in grades two, four, six, eight, and eleven, although the SAT-9 (Stanford Achievement Test-ninth edition) remained the staple test of reading, mathematics, and science. The district took its first step toward a new accountability system in 1995-1996, when the superintendent and Board of Education adopted thirty performance goals for the year and linked 1996-1997 pay increases of all central-office administrators and cluster leaders to attainment of those goals. Hornbeck proposed to extend this pay-for-performance approach to teachers and principals in later years. Performance targets were defined for each school, using the SAT-9 along with other indicators such as pupil and staff attendance, promotion, and persistence in school. The 1995-1996 data became the baseline for all twenty-two clusters. Schools would have two years to reach their targets, and monetary incentives were tied to their performance. Poor performance would lead to intensive assistance or sanctions, such as limits on pay increases or reconstitution of schools.

From the beginning the Annenberg money was simply merged into the operating budget.

Public Engagement and Communications

The Philadelphia Board of Education has no taxing power, and therefore depends upon other public and private agencies for its revenues. So Children Achieving had to be marketed, not only to policymakers and funders, but also to the citizenry. An effort to mobilize grassroots support for school reform gave birth to the Alliance Organizing Project, and it brought fifteen thousand new volunteers into the schools, according to GPF.

Said Hornbeck: "People don't become engaged unless they have skin in the game. That represents [Annenberg] money paid through a coalition of local community organizations to hire community organizers on the payroll of the local organization to organize parents and other community stakeholders."

A million-dollar communications plan was drafted with the help of national experts to try to change the image of Philadelphia's public schools and persuade teachers, voters, and elected officials that they were truly getting better. *Philadelphia Teacher*, a new publication, was launched to inform teachers about major developments and professional opportunities and suggest how they might translate Children Achieving into their classroom practices. Challenge money also went to print brochures that spread good news about Philadelphia schools to the suburbs and to sponsor a bus tour of city schools for suburban residents.

Whither $150 Million?

Whatever Hornbeck wanted for Children Achieving, he pretty much got. But the Philadelphia Board of Education had only a "global view" of where the money flowed, said a board member who has since been ousted. Sometimes, that person said, Hornbeck would tell the board, "It's coming from the Annenberg Challenge, so it's nothing you need to worry about."

Sources in the district as Children Achieving got off the ground noted that from the beginning the Annenberg Challenge money was simply merged into the operating budget that covered the schools' day-to-day activities. It can be argued that blending the Annenberg dollars into the Children Achieving plan was the object all along, yet this process had its critics. "It did not bring or enhance supplemental programs into the operating budget," said one. "All the Annenberg money did was reduce the operating deficit. It was not categorical in nature." "Annenberg money was just financing operations," added another. "Money was going all over the place."

Hornbeck offers some insight into expenditures, but without giving specific dollar amounts. Like many urban districts, Philadelphia suffered

from a chronic shortage of textbooks, and the Annenberg money appears to have helped to alleviate that problem. "We spent a substantial amount on books," Hornbeck said. "The Annenberg money also contributed to our ability to have full-day kindergarten for every five-year-old. The biggest single thing we spent the Annenberg money on was professional development for teachers in both content and pedagogy. Attendance at the week-long summer sessions went from nine hundred teachers and principals to six thousand last summer."

The principal of one of the district's outstanding elementary schools confirmed that her staff of veteran teachers needed "lots of professional development." "They needed to change their style of teaching," said Eileen Spagnola, now in her sixth year as principal of General Philip Kearny Elementary School. "They were trained years ago when the teacher stood in front of the class and lectured. Now teachers are facilitators and must focus on teaching children critical thinking skills." Her staff also needed to learn how to teach a new, hands-on math program and do more cooperative learning, she said.

The school district tried to channel all the funds it could through the Challenge in order to meet the $100 million matching obligation.

Professional development institutes in the summers of 1997 and 1998 in math, science, and English language arts "wouldn't have happened without the [Annenberg matching] funds" disbursed through the Philadelphia Education Fund, according to Karen Goldman, PEF's director of foundation and corporate relations.

Annual reports of the Children Achieving plan do not list professional development as a separate expenditure, but include it under a broad category called "Standards, Assessments, Teaching & Learning." The most recent report shows that, as of June 30, 1998, $113.9 million in Challenge resources had been allocated as follows:

Standards, Assessments, Teaching & Learning—48%
Leadership Development—24%
Family Resource Network—13%
School-to-Career—4%
Alliance Organizing Project—2%
Communications—2%
Technology—1%
Evaluation—1%
Philadelphia High School Academies—1%
Operations Support—3%
1994/95 Initial Grants—1%
(Source: *Power of Partnerships: Children Achieving Challenge Progress Report for 1997-98.*)

Telephone messages asking GPF to provide more details about the uses of the Annenberg dollars were not returned by Suzanne Becker, GPF's education director, or Gail Tatum, director of communications for the Children Achieving Challenge.

"So much new is going on simultaneously that it is hard to separate what is attributable to Annenberg funds and what is not," said Goldman, in what became a common refrain among those involved with the Challenge in Philadelphia. Since the grant money was applied along with district funds allocated to the same purposes, the funding is "seamless" said a school district spokesman.

The $8.8 million that the Pew Charitable Trusts gave PEF as part of the Challenge match went for creating new academic standards, formatting them, establishing review teams, and actually writing the standards and competencies with a district work team, Goldman said. More than eleven hundred people were paid to create and write new academic and professional development standards. Matching funds from Pew also went to bring in national education "experts" to talk to those doing the work "about constructivism, content-based professional development, and using student work to reflect on the standards," she said.

With considerable autonomy to dole out the Pew money in support of Children Achieving, PEF also made direct grants to clusters and schools. Each of the twenty-two school clusters

got $5,000 to $10,000 for professional development specific to its needs. PEF provided mini grants for "small learning communities," enabling teams of teachers to apply for grants of $1,000 to $2,000, and it also directed money to the North Philadelphia Community Compact for College Access and Success. That program supports students making school transitions—elementary to middle and middle to high school—and encourages creation of schools with a focus on pursuing higher education.

"We are now working on the last $2 million for this year," Goldman said. "It will support comprehensive school reform, talent development, teacher networks, mini grants to schools, parent and community educator institutes—a lot of our work is with parents—and other K-16 collaborations."

The union balked at a number of Hornbeck's proposals, including group performance incentives and greater parental involvement.

Nonprofits Suffer

As the school district tried to channel all the funds that it could through the Challenge in order to meet the $100 million matching obligation, an unforeseen consequence befell other community organizations. Pressed to contribute to Children Achieving, foundations and corporate donors that had traditionally supported numerous large and small nonprofit groups in Philadelphia suddenly cut them off, pleading that they had used their available dollars for the Annenberg match. Large and small museums, the Franklin Institute, and the Philadelphia Zoo all felt the pinch as foundations and corporate donors redirected moneys into Children Achieving.

When the Institute for the Arts, for example, approached a local foundation for a donation, its executive director was told that the foundation had given its money to Children Achieving and that she would have to try to get funds from the school district to continue the Institute's training program for teachers in the performing arts. Yet navigating the district bureaucracy proved to be a cumbersome and sometimes fruitless task for small nonprofits. One was forced to go out of business in early 1999 at least partly because its traditional donors now focused on matching the Annenberg Challenge grant. This casualty was the 120-year-old Citizens Committee for Public Education, headed by executive director Gail Tomlinson, who also is a board member of PEF.

"To be fair, I also had a board not willing to do what was necessary for us to survive," Tomlinson said. "Bank mergers hurt us, too." But the impact of the Annenberg Challenge was undeniable. The Citizens Committee had existed on $100,000 to $200,000 a year from donors that included the Samuel S. Fels Fund, IBM, ARCO, and local banks. When she sought donations after the Annenberg Challenge was launched, however, what she mostly heard was that money she might have gotten in the past was instead earmarked for Children Achieving. The Annie E. Casey Foundation in 1997 was explicit in telling her that "the money was committed to Children Achieving for its run."

Obstacles to Reform

Prior to the advent of Children Achieving, Philadelphia's schools were indisputably distressed. An October 1994 report in the *Philadelphia Inquirer* called them "dismal" and "cause for despair." Among the statistics cited by the newspaper:

*Less than half of Philadelphia students entering high school in 1989 graduated four years later.

*Only 15 of the city's 171 public elementary schools scored above average on nationally normed reading tests.

*Students in only two schools, both magnet programs, scored above the national average on the SAT.

*Test scores varied directly with poverty levels and nearly half of all Philadelphia students came from families receiving public assistance.

Such data showed what a mountain Hornbeck had to climb, without even considering political obstacles. But there were plenty of those, too. The first big stumbling block was the 30,000-member Philadelphia Federation of Teachers (PFT), an affiliate of the American Federation of Teachers (part of the AFL-CIO) and a bargaining unit for the district's thirteen thousand teachers. The union balked at a number of Hornbeck's proposals, which included eliminating the seniority system, awarding group performance incentives when students did well, and issuing sanctions when they did not. The union called Hornbeck's proposals "punitive," even though the new accountability and pay-for-performance measures started with Hornbeck's own salary and bonuses being tied to meeting the Children Achieving goals and timetable.

"You know what the attitude is here? It's 'here we go again.' Every time there is a new superintendent there is a new program."

"A union vice president said a couple of years ago that student achievement and teacher performance don't have anything to do with one another," said Hornbeck. "I come from a different premise. That was a major problem."

The union also opposed elements of Children Achieving that gave parents greater authority over personnel decisions and increased teacher work time. "The union had driven lots of stuff in the past," said Vicki Phillips, who came to Philadelphia from Kentucky with Hornbeck, helped craft Children Achieving and went on to become the executive director of the Children Achieving Challenge. "Under David's leadership, there was conversation with the union, but where we disagreed, we kept moving," she said. "They made life difficult."

"You know what the attitude is here?" PFT President Ted Kirsch told the *New York Times* early in Hornbeck's tenure. "It's 'here we go again.' Every time there is a new superintendent, there is a new program. Then they leave and we're left with the remnants of a failure. That's why the other superintendents aren't here. Their programs failed."

(Kirsch did not respond to a request for an interview. A union vice president declined to comment on Children Achieving because, he said, the Thomas B. Fordham Foundation and its president support vouchers, and he believed that this report on the impact of the Annenberg money in Philadelphia would be framed as an argument for government-funded vouchers.)

School principals also balked at the accountability aspects of the reform plan, while higher-ranking administrators worried about loss of power as Hornbeck dismantled the district's six large regions, said Phillips, now superintendent of schools in Lancaster, Pennsylvania.

Funding Woes

Hornbeck, who has wallowed in budget woes since arriving in Philadelphia, deems insufficient funding to be a major barrier to his vision for Children Achieving. From the start, he tried to get more money from the state, arguing that the district's enrollment had increased by 10 percent over five years while state support remained relatively flat. In 1997-1998, according to a district spokesman, 53.4 percent of the school system's operating budget came from Harrisburg, 33.5 percent from local taxes, 10 percent from the federal government, and 3 percent from other local funds, including foundation gifts and donations. That year, the most recent for which state figures are available, Philadelphia spent $6,969 per pupil, which Hornbeck says was $1,900 less than in surrounding suburban systems.

Facing a projected deficit of $56 million one year, Hornbeck tried to get more state funding by threatening to shut the schools months before the official summer break. Harrisburg lawmakers responded with legislation that allows the state to take over "distressed" schools and districts. In any event, Philadelphia's schools didn't close early and the state didn't step in, but the episode further strained Hornbeck's relations with Harrisburg.

"The goals are praiseworthy, but he says he needs so much more money than he has that it's impossible," explains Pennsylvania secretary of education Eugene W. Hickok. "He'll never get all the money he needs."

The courts became another factor in Hornbeck's budget woes. Because Philadelphia is operating under a court-supervised desegregation order, Judge Doris A. Smith has significant authority over the school system and budget. In 1996, she ordered Hornbeck to divert funding to full-day kindergarten and preschool services for racially-isolated elementary schools. She also demanded that Children Achieving include school uniforms, more magnet schools, and increased family involvement—elements not included in the original blueprint.

"The goals are praiseworthy, but he says he needs so much more money than he has. He'll never get all the money he needs."

Did the Reform Plan Succeed?

"A large number of people and all stakeholder groups really don't believe kids like ours can learn," Hornbeck said. "Actual results are so hugely shaped by expectations. I think if one could magically make expectations higher among business leaders and elected officials, the media, politicians, we would see the other problems we face fade away."

Test results remain the chief marker of school performance and the most important indicator of whether Children Achieving is working. From 1996 to 1999, the number of Philadelphia children who scored at or above the "basic" level on the SAT-9 test of reading, math, and science rose from 29.9 percent to 41.9 percent. Of course that means three out of five children are still functioning at below-basic levels. Some individual schools showed remarkable gains, however. The strongest improvement was seen in third-grade scores, which Hornbeck attributed to the impact of full-day kindergarten for all five-year-olds—made possible by the Annenberg money. Kearny Elementary, one of the earliest schools to benefit from Challenge dollars, posted the greatest improvement—a 550 percent gain on a newly-devised performance index that includes SAT-9 scores, pupil and staff attendance, and promotion/persistence. The school's index scores rose from 64.3 to 88.5 between 1996 and 1998, as the percentage of "below-basic" students dropped from 71 in 1996 to 16 in 1998.

There are probably thirty or forty schools in Philadelphia that have gained 25 percentage points or more, Hornbeck said. Yet improvement was far from uniform or universal. Middle schools saw general declines in math and science scores. Two high schools deemed so bad that Hornbeck stepped in and "reconstituted" them with a whole new staff continue to struggle. In 1996, more than 99 percent of Audenreid High School's tested students performed below the basic level on the SAT-9. By 1998, that had dipped only slightly. At Olney High School, also reconstituted by Hornbeck, the percentage of students testing below basic fell from 97 percent to 94 percent.

A midterm report put out by the national Annenberg Challenge, entitled *Citizens Changing Their Schools: A Midterm Report on the Annenberg Challenge* (April 1999), dealt mostly with the "process" of reform, but found much in the Philadelphia effort to commend:

*The Children Achieving Challenge mobilized reform efforts on various fronts at once.

*For the first time, all eligible children attend full-day kindergarten.

*Textbook shortages that once plagued the district were virtually eliminated.

*Parent participation and voluntarism increased.

*Children and families have better access to social services.

*Student and staff attendance improved significantly.

*Teachers receive more opportunities for professional development.

*The district directs a greater share of its resources to instruction.

*Implementing the recommendations of a private-sector task force saved the district $29 million during 1996 and 1997.

*Test scores show improved student performance in reading, mathematics, and science for two consecutive years.

Others voice praise, too. "The Annenberg grant enabled us to build a foundation for reform," says Barbara Grant, executive assistant to the superintendent and director of communications for the Philadelphia School District. "It was the driving force for making change." "Progress has been documented in most areas and most grade levels," asserts PEF's Goldman. "Progress made in student achievement wouldn't have been possible without these added resources. Most of the important pieces—the architecture of school reform—are in place. You've got academic and competency standards, new professional development standards, and small learning communities. A lot had been done before that. Annenberg money contributed to it and Hornbeck's decisions made it happen. Making sure this happens in every school is the next thirty years' work."

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Hornbeck himself says that "The best measurement [of success] is significant improvement in reading, math and science scores on the SAT-9—a 40 percent increase in those at basic or above. I don't know anybody in the country that beats it. It happened at the same time that overall we achieved a 22 percent increase in the proportion of kids who took the test. Normally, if you increase participation, test scores go down, because it's typically the worst performing students who don't show up for tests."

"What we've done demonstrates to my satisfaction that, if you organize a school system around the ten components of Children Achieving, results will be increasingly higher levels of academic achievement by kids who've historically not known much at all," Hornbeck said. "I believe the issues now revolve around resolve, will, and politics and not whether it is possible to organize small learning communities, schools and districts in a way that produces continuing improvement of academic achievement."

External Evaluations (and Their Problems)

The Annenberg Foundation made each Challenge grant recipient responsible for evaluating and documenting the results of its efforts. In each of the large urban sites, a research team drawn from local universities developed an evaluation plan in consultation with local Challenge leaders. In addition, each site's local evaluation plan was reviewed by a team at the Challenge's national office. Each site agreed to examine changes that may have resulted from Challenge activities at five levels: student outcomes (intellectual, social, ethical), instructional practices, school climate, the relationships of school networks to school districts, and the relationships of schools and their partners to the surrounding community.

Questions have been raised about the objectivity of these evaluations. In Philadelphia, for instance, there is concern that the evaluation is "weak" because it was funded by the Philadelphia Annenberg Challenge itself—a relationship unlikely to result in the contractor's biting the hand that feeds it. An insider also notes that the written evaluations are subject to editing by the school district before they are released to the public.

Philadelphia's local evaluator is the Consortium for Policy Research in Education (CPRE), based at the University of Pennsylvania's Graduate School of Education. Tom Corcoran is the principal investigator. Published evaluations to date cover only the first two years of reform efforts. The next one is due out shortly (spring 2000). It is expected to cover four years of the Annenberg grant reforms and to include data through the summer of 1999.

CPRE started its comprehensive evaluation four years ago. The first report was issued just six months into the process because of pressure to "get an early report out," Corcoran explained. "More than a year later [fall/winter 1997-1998], we issued four reports around different aspects of the reform: its accountability system, implementation of standards, changes in organizational structure, and student support services," he said. "The following year, we skipped a report because we found that the amount of data we were pulling together was so great and the time it took to go through it and do an analysis was creating such a problem that to try to do an annual report was getting in the way of data collection."

> **"It's clear that the standards and the testing system are having an impact on focusing instruction. Everybody is marching in the same direction."**

For the next report, evaluators are trying to link changes in schools, classrooms, and clusters to performance of teachers and students. It will be the first separate examination of the relationship between reform strategies and student performance. Improved attendance helped boost index scores generally across the district, but SAT-9 scores by themselves have not gone up as rapidly as the index itself, which counts SAT-9 scores as 60 percent of the index, student and staff attendance 20 percent, and pupil promotion and persistence in school (not dropping out) another 20.

Like Hornbeck, Corcoran noted that improved school attendance—a positive effect of the reform effort—had a negative impact on test scores. "Actually the higher attendance acts as a drag on increase in SAT-9 scores," he said. "Philadelphia made an enormous effort to improve attendance and bring all kinds of kids into the testing program. There were high schools where only 30, 40 percent of the kids were showing up for tests. The district made being at school a priority for teachers and students. As a result, student attendance has gone up considerably."

When the first of CPRE's evaluations of the Children Achieving Challenge came out in 1995-1996, the reform plan was underway in just six clusters containing a total of sixty-seven schools and about sixty thousand children. Too early to document results, those evaluations focused on the reform "process"—the work plans— and problems encountered as Hornbeck's plan took shape. The foremost concern at the time was overcoming principals' and teachers' resistance to cluster coordinators and their skepticism about the initiative's staying power. Many educators questioned decentralization. Two years later, evaluators found that many schools still did not have decision-making processes in place and that local school councils were confused about their authority and lacked the teeth necessary for effective school-based management, selection of staff, and control over the budget.

While it is still too soon to be sure, Corcoran anticipates that, as a result of the small learning communities now in place, and the more intimate relationships among staff and students that have ensued, "We would see attendance go up and discipline improve, and maybe a year later we would see test scores go up."

" It's clear that the standards and the testing system are having an impact on focusing instruction," Corcoran insists. "There is no districtwide curriculum, but a broad structure for what kids need to know. Everybody is marching in sort of the same direction, but actual curriculum content can be quite different although it is generally responding to the SAT-9."

Case Study of an Exceptional School

It's fairly clear that the Annenberg money and decentralization helped some schools to soar, among them Kearny, which became a district showcase and the epitome of Hornbeck's vision.

Built in 1922, Kearny houses 410 children in kindergarten through fifth grades. It has fourteen children in special education and nearly eighty in classes for the gifted. Some of the gifted children come from two nearby schools without special programs of their own. Eighty percent of the

pupil population is black and 20 percent is Latino. In recent years, 85 to 91 percent have qualified as "high poverty level," said Principal Eileen Spagnola. Its children made the biggest score gains on Philadelphia's SAT-9 test. Spagnola, who was assigned to Kearny the same year that Hornbeck was settling into his new job, readily attributes her school's success to the Children Achieving plan, which gave her more autonomy and money.

The sixty schools in the first six clusters created under Children Achieving received more money than schools in those carved out later, and Kearny was one of the first. Its 1999-2000 operating budget is $1,870,053, including $404,980 that Spagnola describes as money that she can "manipulate" for staff and supplies in consultation with the school council. It is not purely discretionary, because from this sum she must also pay her own salary (principals average $95,700 a year) and those of a secretary and counselor, buy books and supplies, and pay for extracurricular activities. But the flexibility has allowed her to drop one aide, hire an additional teacher, and buy more books.

Still, one can't help but think that Kearny's is a success story largely because the unquenchable Spagnola is the kind of principal who could whip nearly any school into shape. "I'm strong on classroom management and climate," she said. "I'm a hands-on principal. I know what's going on in the school. The kids know our limitations and expectations. We try to instill personal responsibility."

> "There's always the potential for meaningful change if you are using standards-based reform."

Kearny's pupils wear uniforms—a choice left up to individual schools in Philadelphia— and Spagnola said it "made a difference" even though the uniform is simply a light blue top and dark blue pants or skirt. (The top can be a tee shirt.)

Spagnola has focused on literacy in her six years at Kearny, and the results show. Despite the high poverty level, just 10 percent of her pupil population is considered "at-risk" of academic failure. She scrapped morning recess to focus on literacy and starts children in kindergarten with books that have picture clues to words. She describes herself as a "basal reader" and "phonics" person who dropped a whole-language program that the school had been using.

In 1996-1997, when the baseline SAT-9 tests were administered, 71 percent of Kearny's children tested below basic in reading. Spagnola had her teachers devote more time to reading, pose more problem-solving questions, and spend an hour a week on test-taking skills. In 1997-1998, the number of children testing below basic dropped to 16 percent, a remarkable one-year improvement. In 1998-1999, it was down to 15.3 percent. As of June 1999, 40 of 58 first-graders were reading at or above grade level, as were 61 of 73 second-graders, 49 of 60 third-graders, 42 of 46 fourth-graders, and 43 of 47 fifth-graders.

Whether that success is attributable to extra cash from the Annenberg grant, to decentralization, to a top-notch principal, or to a combination of factors, Kearny has become a school that now has parents from outside the neighborhood knocking on its doors.

Uneven Impacts

Schools like Kearny remain the exception rather than the rule in Philadelphia. But if districtwide test-score gains are the proper gauge of the Philadelphia reform effort bankrolled by the Annenberg Challenge Grant, one would have to call it a modest success. Still, much business remains unfinished and many goals unmet. Some of the worst schools—with more than 90 percent of their pupils scoring below basic levels on standardized tests—have not pulled up. Is this due to lack of money, low expectations, or something else? Perhaps the missing ingredients are a can-do principal and excellent teachers. It is hard to be sure how much the Annenberg grant itself contributed to individual success (and failure) stories. There was so much going on in the city, so many policy and program and fiscal pieces of Children

Achieving, that trying to isolate the "Annenberg effect" is like looking for a needle in a haystack. In fact, it's more difficult in Philadelphia than elsewhere precisely because the needle was intentionally combined with the haystack, the result of the Annenberg Challenge being merged into Hornbeck's Children Achieving program.

Other Views of Children Achieving

State education secretary Hickok believes that the basic approach of establishing standards for what students should know and be able to do is a sound one. "There's always the potential for meaningful change if you are using standards-based reform," says Hickok. He is more skeptical of the Annenberg Challenge's attempt to restructure the school system. "The cluster approach is more bureaucracy than education. If teachers can choose schools based on seniority so principals can't pull together a team of like-minded teachers, the goals of Children Achieving will be difficult to accomplish."

Hickok also remains dubious about the test-score improvement, citing controversy about the SAT-9. "The first year the test was given it evidently was not announced; turnout was poor and it was poorly administered. The second year that changed and almost by definition, they saw improvement," he notes.

Without the Annenberg money, Philadelphia schools would be worse, said Michael Dabney, who watched Children Achieving unfold from the perspectives of public school parent, education reporter, and now city editor of the *Philadelphia Tribune*, the country's oldest African-American newspaper.

Yet the public schools didn't improve fast enough to keep Dabney from transferring his own daughter out of Bache-Martin Elementary School, which she attended through third grade, and into a private school for fourth grade. Bache-Martin was crowded, he notes; its classes were too large, and there wasn't enough discipline. "And this was one of the better schools," Dabney said. "From the standpoint of immediate impact on my child, I didn't see a lot from the Annenberg grant."

Hornbeck's critics, who include some former school-board members recently ousted by Philadelphia's new mayor, say that he shrank the bureaucracy on paper while creating a whole new cadre of administrators that he doesn't count as such. They point out that far from decentralizing decision making, which was one of the explicit goals of Children Achieving, Hornbeck and a small group of key people who make up his cabinet assumed greater importance in the top-down decision making. (Hornbeck's cabinet also included the executive directors of GPF's Children Achieving Challenge and the Philadelphia Education Fund.)

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"We've had no contact as a board with the Children Achieving Challenge in two years," said an ousted board member who asked not to be identified. "Collectively, that's the board's fault. The point is that it's an extension of the superintendent. It's an extension of what the superintendent wanted to do. I don't believe the school board had a good handle on what was happening with those dollars. The oversight board [composed of a dozen Greater Philadelphia First corporate leaders] became an extension of Hornbeck's staff, so much so that the person hired by the oversight board [Challenge executive director Vicki Phillips] became a member of the superintendent's cabinet even though she wasn't being paid by the school district. We ended up with an oversight board that took its direction from the superintendent instead of being independent. I've never seen where all the money went—only bits and pieces and a global view."

Another district insider confirmed that Hornbeck indeed made cuts in administrative positions as he shut down the six regional offices and established twenty-two clusters. But the

regional administrators were moved to the cluster offices and transferred on paper to a category called "instruction." Though described as "consultants" and "collegial administrators," cluster leaders were de facto bosses who were given the responsibility to rate principals, the source said. This became a flash point with the unions.

"I had high hopes when David [Hornbeck] came and fought to get him here," said former Board of Education member Jacques Lurie, who lost his seat in a recent board shake-up engineered by Philadelphia's new mayor. "Today I think I believe more strongly in Children Achieving than he does. It was a wonderful blueprint and the devil has come in implementation."

Hornbeck has raised legislators' hackles by comparing the state's school funding system to apartheid in South Africa, among other things.

Today

The Philadelphia Annenberg Challenge ends on June 30, 2000. A few staffers will stay on for a year to tidy up the books and get out the final evaluations and reports. They will also look at ways to link what Philadelphia has learned from school reform to what Houston and San Francisco consider successful programs.

Beyond that, the future for Hornbeck's Children Achieving looks reasonably bright in the short term but quite uncertain over the long run. It doesn't yet have much of a toehold in most schools, many teachers have not bought into the agenda, and the small learning communities concept is said to be functioning well only in those schools that had committed to this philosophy well before the advent of Children Achieving. Where it has been imposed on schools, it sometimes resembles a willy-nilly designation of students into groupings such as "First Grade" or "Title I," suggesting scant understanding of the concept of small learning communities, according to published evaluations.

Hornbeck himself has become deeply mired in politics. Children Achieving was his train, and he got former Philadelphia mayor Ed Rendell and area corporate leaders to climb aboard. But with the November 1999 election, he found himself in the precarious position of having to work with a new mayor, John F. Street.

As city council president, Street initially opposed Children Achieving. Later he supported it and was instrumental in getting the Council to give it an extra $15 million in matching funds. Street's central mayoral-campaign theme was to take the case for Philadelphia schools to Harrisburg himself with "from-the-gut-vigor," according to the *Philadelphia Inquirer*.

The early days of Mayor Street's term of office gave Hornbeck cause for optimism. In his first City Hall news conference, Street voiced support for the controversial superintendent and the school board's top leadership, President Pedro Ramos and Vice President Dorothy Sumners Rush. At the same time, he expressed "disappointment" in the rest of the board and announced that the other seven spots were up for grabs. He was especially critical of Michael Karp, appointed to the board only a few months earlier by outgoing Mayor Rendell. Karp reportedly said that his reason for being on the board was to get rid of David Hornbeck. Street also named Debra Kahn, a former school-board member who has been described as a "rabid" Hornbeck supporter, to the new post of secretary of education.

On March 2, in one of the biggest board shake-ups in decades, Street named five new members to the nine-person board and dumped two of Hornbeck's most outspoken critics, Lurie and Karp. According to a report in the *Philadelphia Inquirer*, Hornbeck was thrilled with the new selections and had told the mayor he didn't care who was selected as long as the board members were committed to supporting Street's education agenda and his Children Achieving plan.

Yet Hornbeck has continually raised legislators' hackles, and there is no love lost between him and Governor Tom Ridge. In a November 9,

1999, speech in Cleveland, as reported in the *Philadelphia Daily News*, he compared the state's school funding system to apartheid in South Africa and Jim Crow laws in the United States. Some lawmakers, already alienated by Hornbeck's history of impolitic remarks, interpreted those comments as an attempt to brand them as racists, and demanded an apology or his head. (Others in the legislature said he was right on target.)

The future of Children Achieving appears to be inextricably linked to the future of Hornbeck.

The future of Children Achieving appears to be inextricably linked to the future of Hornbeck. "If Hornbeck stays, the program stays. If Hornbeck goes, the program goes," predicted Frederick Hess, a University of Virginia education scholar who has written a book on urban school reform. "If you're the new superintendent, you want to put your stamp on things. You don't just want to be the caretaker of someone else's program."

Public schools are set up as community institutions responsive to public pressure. But such a mission also can make long-term school reform elusive, subject to mayoral and legislative changes as well as shifting public opinion, Hess told the Scripps Howard News Service prior to the mayoral election.

Many view Children Achieving as a commonsense, comprehensive approach to school reform—something that could be sustained beyond five years with continued financing and that could work if given time.

For now, at least, it appears that Hornbeck has bought some more time for Children Achieving. But the odds are great that history will repeat itself and that Philadelphia's new mayor will eventually want a superintendent of his choosing, one who will surely arrive with his own school-reform plan. Or Hornbeck, seeing limitations to what he can accomplish in Philadelphia, may choose to move on to greener pastures. It has happened in the past and the teachers union, for one, is betting it will happen again.

From Frontline Leader to Rearguard Action: The Chicago Annenberg Challenge

Alexander Russo

When three of Chicago's most prominent education reform leaders met for lunch at a Thai restaurant six years ago to discuss the just-announced $500 million Annenberg Challenge, their main goal was to figure out how to ensure that any Annenberg money awarded to Chicago "didn't go down the drain," said William Ayers, a professor of education at the University of Illinois in Chicago. Ayers, who was at that lunch table in late 1993, helped write the successful Chicago grant application.

More than six years later, the time has come to ask whether that goal is on its way towards being met. Nearly all of the $49.2 million Chicago grant has been awarded. Over sixty "networks" have been funded. These networks, consisting of an external partner of some sort—a reform group, higher education institution, or community advocacy organization—work with at least three schools each on issues of school size, teacher isolation, and professional development. Thus far, 223 schools have participated in these Annenberg networks. In fact, roughly 40 percent of the students in Chicago schools have been reached, according to the Challenge.

What makes analyzing the impact of the Chicago Challenge especially difficult is that, during roughly the same period, the reputation of the Chicago public schools has been transformed from one of the worst to one of the most improved major school systems in the nation. Long-standing financial problems have been sorted out. Innovative programs have been piloted. Student achievement is on the rise. So the question is not whether things have changed in Chicago, but, rather, how the Annenberg Challenge contributed to these changes. Has it affected either the system or the individual schools with which it has worked? Has it helped improve student achievement? How successful were Professor Ayers and his colleagues in making sure that the Annenberg money was well spent? What footprint will the Chicago Challenge leave behind?

What is clear is that—despite an impressive range of activities—it is extremely difficult to attribute any specific achievements or progress to the work of the Chicago Challenge. Yes, the Challenge should receive some credit for any success at improving these schools or supporting the progress of their students. Many of the Challenge schools have shown significant improvements. And some observers give the Challenge credit for participating in the overall improvement of the schools. But no one seems to know for certain the extent to which these

improvements might be due to Annenberg activities or to other factors.

There are several reasons for this. Many of the networks predated the Challenge. Each of them took its own approach to improving education. Many participating schools were already involved with their external partner before Annenberg came on the scene. Moreover, most of these schools were involved in several different reform efforts along with the Annenberg effort. When the Challenge grants expire in 2001, finding concrete legacies of the $50 million investment may become even more difficult. Doubtless, proponents of the Challenge will continue to argue that its role in raising test scores and improving teaching was significant. And some of the networks will continue to operate. But unless new research provides conclusive new findings, even its strongest advocates will struggle to point to any large-scale improvements attributable to the Chicago Challenge itself.

Despite an impressive range of activities, it is extremely difficult to attribute any specific achievements or progress to the work of the Annenberg Challenge.

After presenting a brief chronology of events, the following pages offer several possible interpretations of what the Chicago Challenge accomplished and why. One view is that the Challenge was based on a design that gave it little influence or interaction with the schools it was trying to help. Another widespread idea is that it lacked programmatic focus and pursued too broad a set of initiatives with too many different partners. A third perspective is that it limited its own success by operating without strong links to an increasingly powerful school district. A final, more sympathetic, view is that the Chicago Challenge has kept the flame alive for decentralized, community-based school reform—even as the system was moving in a very different direction—and has contributed significantly to improvements through hard work in some of the most disadvantaged schools in the city.

Few assertions about the Chicago Challenge pass without disagreement. Chicago is a city where education is taken very seriously, and policy decisions, perceived press biases, and credit for progress all generate heated debate. The full analysis of whether it succeeded is extremely complex. Moreover, the Chicago Challenge still has almost two years to go before closing its doors. Two more evaluations, expected in 2000 and 2002, could shed new light on the impact of the Challenge and its effects.

Note, too, that this case study is not a comprehensive evaluation. It contains information from a series of interviews and school visits conducted in late 1999 and early 2000, as well as a review of all available documents. Most significant among these are a 1998 "baseline" study of the origins of the Challenge and a March 1999 Consortium on Chicago School Research report authored by Dorothy Shipps and others that explains many of the thoughts behind the actions of the Chicago Challenge during its first three years. Additional reports covering more recent history and student achievement data have not yet been released. In addition, some key members of the Chicago school-reform community, including the staff of the Chicago Challenge itself, refused interview requests and/or declined to provide materials for this case study. Their potentially valuable insights are not included here.

What Was the Chicago Annenberg Challenge?

When Joan Crisler arrived as the new principal of Dixon Elementary School on the city's near-West side, she brought with her a strong managerial style and inherited a demoralized and fragmented faculty. Under a grant from the Chicago Challenge, a Comer-based network in Chicago called Youth Guidance provided Dixon Elementary with a liaison to the network, funds for staff-development time and materials, a coordinated social-service plan to help students most in need, and professional working groups where principals from around the city could share ideas about school leadership. Today, Principal

Crisler has delegated authority, unified her staff, and addressed student needs. Test scores at Dixon have risen steeply.

By most measures, Chicago schools were deeply in crisis when the Annenberg Challenge was announced in late 1993. The nation's third-largest school district, Chicago has over 430,000 students attending almost six hundred public schools, a pupil population that is 80 percent minority and 84 percent low income, and an annual budget of just over $3 billion. Chicago had been labeled one of the worst school systems in the country. Labor disputes, lack of clear policy direction, administrative instability, and a $415 million budget overrun hobbled the system. A 1988 law that gave individual school councils control over discretionary spending and hiring principals had opened up the system but was under constant attack and had yet to show significant gains in student achievement. The best that could be said about Chicago schools at the time was that there was plenty of room for improvement.

Despite its dysfunctional school system, Chicago did have a number of advantages when it came to applying for Annenberg funding. "Chicago was unique, or at least uncommon, in its ability to make use of that money," said Bill McKersie, currently a program officer at the Cleveland Foundation. "From 1987 on, you had an increasingly highly organized nonprofit sector out there worrying about school reform." McKersie estimates that between $9 and $11 million in philanthropic contributions to Chicago schools were being made each year even before the Annenberg funding arrived. Chicago also has a dizzying variety of school-reform groups—over one hundred by one count—along with a well-established set of foundations active in the education field, including the John D. & Catherine T. MacArthur Foundation and the Joyce Foundation. In addition, according to McKersie, Chicago had already developed a grassroots network and a strong research capacity. The city has a long tradition of grassroots organizing and activism dating back to Saul Alinsky, and Alinsky's spirit and organizing methods are still alive in many of the community groups that eventually became involved in this project. "In the early evaluation meetings," said McKersie, "Chicago was a good head and shoulders ahead of the other cities because of the work that had been going on." As it turned out, however, these organizations carried with them disadvantages as well as benefits for the Chicago Challenge.

Chicago's history of activism and reform may have hindered the Chicago Challenge as much as it helped.

Besides being awash in reform groups and philanthropy, Chicago had been through a major school-reform effort just five years earlier. Long blocked from meaningful participation in the city's schools, a broad coalition of advocacy groups and community organizations had banded together in 1988 to win legislative passage of a reform measure intended to open the school system up to parents and the community. The dominant element of the 1988 statute was creation of elected local councils at every school. These councils had broad discretionary authority, including the authority to hire and fire principals, and led to the turnaround of many schools that had lagged behind. In addition, the 1988 reform freed up hundreds of millions in discretionary state and local funds, which were shifted to schools and put under the control of these local councils. Many of the councils used these discretionary dollars to pay for supplemental services that local and national reform groups provided—a pattern that eventually became the basic structure of the Chicago Challenge. But here, too, the city's history of activism and reform may have hindered the Chicago Challenge as much as it helped.

From Informal Working Group to Independent Foundation

Out of that initial Thai lunch came a working

group of educators and community leaders who collaborated in 1994 to fashion Chicago's successful Annenberg grant application. With over seventy members, "the working group was a selection of people drawn from the school-reform community," said Anne Hallett, executive director of the Cross-City Campaign for Urban School Reform, who was closely involved in the creation of the grant application. "It was a pretty big and fluid group." In fact, this process brought together many of the same groups that had worked together during the late 1980s in a 125-member entity known as the Citywide Coalition.

The working group met over the course of several months, developing a framework for the grant application. These efforts were aided by the fact that both Hallett and Warren Chapman, an education reformer now at the Joyce Foundation, had been involved with creation of the national Annenberg Challenge. At some point in the process, according to Hallett, a subset of ten to twelve members was elected from the wider group to craft the grant proposal. In the end, the proposal developed by the working group beat out competing proposals from several other entities, including the Chicago Public Schools and the mayor's office.

> Applications from business, cultural, and labor organizations did not fare as well in the competition for grants as applications from higher education institutions and community organizations.

Having secured Annenberg funding for Chicago, the working group would soon evolve into a more formal organization, albeit with strong ties to the groups that wrote the grant proposal. Initially run out of shared space in the offices of the Cross-City Campaign and administered through an existing philanthropic organization called the Donors Forum, the Chicago Challenge soon became its own new foundation with status as an independent fiscal agent. By late 1995, Ken Rolling had been named executive director, a board of directors had been established, and the first round of grants had been awarded. Rolling lacked experience in education but came from the foundation world and was well-versed in community organizing. The board, which was intended to set policy, raise matching funds, and hire an executive director, included prominent educators and business leaders. A second entity, the newly-created Chicago School Reform Collaborative, was also established. Its twenty-plus members were elected from the group of educators and advocates who had helped shape the grant proposal. Initially, at least, this offshoot of the working group functioned as the operations arm of the Chicago Challenge. However, this situation created procedural and ethical concerns and in time the Collaborative was transformed into an advisory body.

The Chicago Challenge would give grants to "networks," each consisting of at least three schools and one external partner—usually a school-reform group, community organization, or university-based center. In addition to the issue of school size, which was the primary focus of the Annenberg Challenge in New York City, the Chicago Challenge established two other areas of interest: time and isolation. Another variation was that schools would not be allowed to participate in more than one network, but external partners could—and did—take part in more than one network.

Getting the Word—and the Grants—Out: The First Funding Cycles

To help get the word out about how the Chicago Challenge would operate, a series of community meetings was held around the city in 1995. Then, with a possible $49.2 million in the pipeline, assurances that existing public and private funds could cover the matching requirements, and a rudimentary review process established, the Challenge began to give out money. In the first funding cycle held during 1995, 177 letters of intent were submitted. In the end, twenty-five proposals were funded that year (including both implementation grants and plan-

ning grants) and the full amount of $3 million was awarded—mostly to networks based around community organizations or institutions of higher education.

This initial wave was the largest group of grants ever awarded by the Challenge. Roughly $2 million in larger implementation grants was awarded to thirteen organizations during that first cycle, which had originally been limited to no more than ten. At $100,000 to $200,000 annually, most of these grants were awarded to school reform or higher education groups that were given funds to continue and extend previously-established partnerships. During that same funding cycle, twelve smaller planning grants were also awarded, averaging $25,000 each. Other applications from business, cultural, and labor organizations did not fare as well in comparison to higher education institutions and community organizations. Until 1997, for example, business coalitions had just a 1 percent approval rate, in comparison with over 40 percent for education-reform groups and higher-education institutions.

Just as the Challenge was getting off the ground, massive changes were beginning to unfold in the way Chicago's schools were run.

Sheriff Vallas Rides Into Town

Just as the Challenge was getting off the ground, massive changes were beginning to unfold in the way Chicago's schools were run. While local school councils had invigorated some schools and led to important changes in how they were run, it was clear to many that the 1988 reform had not engendered the widespread improvements in student achievement that the public demanded. Some studies showed that local councils could be extremely effective, yet districtwide scores remained low. Long-standing fiscal and administrative malfunctions persisted.

As a result, there was another massive wave of reform, this one involving one of the first mayoral takeovers of a major school district. In 1995, the Illinois legislature turned control of the Chicago schools over to Mayor Richard Daley's office and established new accountability measures for failing schools. Led by new chief executive officer Paul Vallas, Mayor Daley's former budget director, the 1995 reform ushered in a number of changes. Gery Chico, the mayor's former chief of staff, was named president of the new, mayorally-appointed Reform Board of Trustees. After years of trouble, the district's financial woes quickly began to be sorted out and a blizzard of new initiatives followed. Labor contracts were signed without strikes. High-stakes testing was implemented, forcing tens of thousands of students to attend summer school in order to pass from grade to grade. Failing schools were put on probation or reconstituted. Uniform academic standards were established.

Despite the positive press and the much-needed administrative reforms implemented by the Vallas team, however, not everyone was happy. Conflicts between Vallas and the 1988 reform groups erupted within the first year. In addition to being outraged that Vallas took credit for test-score increases published shortly after his arrival, many community groups were suspicious that Vallas would try to water down the 1988 reforms and tie the hands of local school councils. Many of the reform groups also opposed the increased use of standardized tests and systemwide mandates. The Vallas reforms took attention away from long-standing efforts to help improve Chicago schools, and the fact that Vallas received so much positive press in such a short time just added salt to the wound.

Settling in to Work: Grant Making from 1995 to 2000

The implementation networks funded by the Chicago Challenge during 1995-97 were extremely diverse in terms of both the numbers of schools they were working with—from as few as three to as many as twelve—and their programmatic approaches. Demographically, partic-

ipating schools were by and large representative of the district as a whole. High schools, middle schools, elementary schools, and schools-within-schools were all included. Networks such as the Chicago Middle Grades Network focused on curriculum and instruction. Others, such as the Center for School Improvement at the University of Chicago, had strong leadership-development elements. At least two networks were focused on developing small schools. And about half emphasized parent and community involvement.

> Few of the networks were able to distinguish clearly what specific role the Annenberg funds had played in their effectiveness.

Through its network grants, the Challenge supported both nationally-known initiatives such as the Comer Model, Success For All, and the Coalition of Essential Schools, as well as locally-developed reforms. In most cases, these efforts were already underway before the grant was received, and the Challenge grants have served to strengthen and intensify them rather than to establish new initiatives or even extend existing approaches to a larger number of schools or students.

The pace of grant making slowed markedly after 1995 and 1996, at least partly in response to the reality that nearly two thirds of the Challenge's resources were by then committed to the original group of grantees. Twenty-five implementation grants had been awarded during the first three years. By 1997, ten of the original thirteen implementation networks had won continuation grants, and several other organizations that had received planning grants in 1995 won the larger implementation grants. Concerns about the quality of the networks were another factor slowing the flow of new grants, along with the poor quality of the applications coming in. "After the first cut, the proposals were not as rich and substantial as we had expected," wrote Ken Rolling of the slowdown that began in 1996. Additional concerns about the workings of the networks and negative perceptions of the Chicago Challenge surfaced within the first two years.

This is not to say that the Challenge ceased to give out money. Despite resource limitations and other factors, the number of networks continued to grow. From 1995 through 1999, the Chicago Challenge supported over sixty networks, reached an estimated 223 schools, and produced a series of research reports and studies. In this way, the Chicago Challenge effort has reached almost 40 percent of the city's public schools, public school students, and classroom teachers during this period, according to Annenberg materials—though it is not clear how many students, schools, and teachers received direct support or benefit.

Anecdotes but No Data: Limited Evidence of Impact

Anecdotally, there is a strong sense of progress and achievement among those closely involved with the Challenge. "There are more and more schools improving the quality of education" as a result of the Chicago Challenge, said Peter Martinez, a senior program officer at the John D. & Catherine T. MacArthur Foundation, who has worked closely with the Challenge. "There are more and more good staff development programs, as opposed to half-baked efforts. Overall, there's more movement in this system now than there has ever been."

Others, such as William Ayers of the University of Illinois, paint a similarly positive picture. Ayers said the Chicago Challenge has done an "astonishingly good job" in several key areas. For example, it has "raised for public debate systemwide the issues of school size, professionalizing teaching, and the relationships between communities and their schools." Ayers also believes that the Annenberg Challenge has demonstrated the power of networks to create a sense of community among schools grappling with similar issues.

The sense that the Chicago Challenge has had positive effects is also palpable among teachers, administrators, and program coordinators who have been involved with it. "The need for outside

organizations is clear," stated Vivian Loseth, who runs Youth Guidance, the Comer network supported by an Annenberg grant. And the 1998 and 1999 Consortium reports reveal that many of those who received Annenberg support found their participation to be useful.

Beyond testimonials from those associated with the Challenge, however, it becomes difficult to find conclusive indications of the program's impact. Outside of anecdotal examples, few of the networks contacted were able to distinguish clearly what specific role Annenberg funds had played in their effectiveness, and none of the networks contacted could supply research that attributes student-achievement gains to Annenberg funding. "What Annenberg does is to award money to networks to deepen what they are already doing," explained network leader Sara Spurlark, who is also co-director of the Center for School Improvement at the University of Chicago. "Our efforts predated Annenberg, and we did not expand because of them." Other network heads echoed these sentiments, stating that Annenberg support allowed them to enhance their activities but was so closely integrated into what they had already been doing that they could not distinguish its precise effect.

The lack of hard data on the effectiveness of the Challenge is a source of widespread frustration in a city where test scores have become the coin of the realm.

Therein lies the problem. While few connected with them doubt the value of the programs supported by the Chicago Challenge, their impact is not yet established. This lack of hard evaluation data on the effectiveness of the Challenge is a source of widespread frustration in a city where test scores have increasingly become the coin of the realm. "We don't have a lot to tell you," admitted University of Illinois professor Mark Smylie, who is principal investigator for the Chicago Annenberg Challenge Study being conducted by the Consortium on Chicago School Research at the University of Chicago. The Challenge is "a difficult thing to evaluate," he explained. "None of these Challenges reflects a tightly designed programmatic initiative that renders itself useful to traditional evaluation." The Chicago Challenge and the networks seem well aware of this situation. "This is one of their big gaps," said Jack Mitchell, who oversees an Annenberg-funded network using the Coalition of Essential Schools model. "They recognize it now but one of the biggest voids is the ability to connect the conceptual framework with the gains in student achievement."

An upcoming study will provide the first real look at how the work of the Chicago Challenge may have affected student outcomes. According to Smylie, it will show how well Annenberg schools have done in comparison to similar schools not participating in Annenberg networks. It will highlight differences in impact among the different types of Annenberg-funded networks in Chicago. And it will examine how sensitive student achievement is to variations in implementation of the networks in each school.

Given the enormous number of changes that have taken place over the last five years and the erosion of the Challenge's prominence, however, it is unlikely that even the most optimistic results from the upcoming study will be broadly accepted as watertight evidence of success.

Why is there such a limited sense of Annenberg's effect on the now-improving Chicago schools? With so many supporters around the city, why is it so difficult to point to concrete examples of the Challenge's impact on student achievement or school effectiveness? Perhaps future studies will be able to answer these questions with hard data. It is clear already, however, that several key events and decisions significantly affected the success of the Annenberg Challenge in Chicago.

The Cult of the "External Partner": Effects of Working Outside the System

Of all the factors that may have affected the success of the Chicago Challenge, both its basic design and its institutional "location" outside of schools, existing reform organizations, and district efforts appear to have played an enormous role.

For the Chicago Challenge and many other reform efforts, success rests in large part on balancing the need to be an accepted part of school, community, and district without becoming so enmeshed in the system that they lose their independent voice. It certainly makes sense that the Chicago Challenge would want to start with a clean slate, independent from both the school system and the existing reform groups in Chicago.

Signs abound that the Challenge made strenuous efforts to ensure that it did not become more a part of extant systems than it thought was advantageous. Not only was it independent from the district, it was administered by an entirely new entity. (In other Annenberg sites such as New York City, the Challenge operated through existing reform groups.) The Chicago Challenge was different. It also gave out funds to a large number of networks, rather than providing services or working directly with a smaller number of schools. In many ways, the Chicago Challenge ended up functioning as its own medium-sized foundation.

> **The Chicago Challenge may have been asking too much of its networks, which lacked much clout in the schools.**

Support for the concept of intermediaries and networks working alongside school systems runs strong in Annenberg literature. "The business of improving schools requires intense, ongoing facilitation, and one cannot expect this help to come from within," states the 1999 Annenberg Challenge report. "Schools cannot achieve whole-school change alone," wrote two Chicago Annenberg program officers in a recent publication. The decision to direct funds to networks rather than straight to schools or districts has always appeared self-interested to some observers, but this approach to reform had been floating around for a number of years and was already operating among many Chicago schools. In fact, the notion of external networks is at the core of the whole Annenberg endeavor, which was built on the idea that serious district-level change could not be effected from inside the system.

This approach is praised by some local reformers, such as Warren Chapman of the Joyce Foundation, as an innovation in grant giving that may prove superior to aiding individual schools. "We've funded individual schools since the beginning of philanthropy in education," said Chapman. "But this approach is relatively new. Do you evaluate a five-year-old child and say this child is not doing well and throw him or her away?" Some second Chapman's praise of the network approach as solid and appealing. "I like it as a structure," said Paul Reville, who is director of the Pew Forum and a board member of the Public Education Fund. "I think the notion of a third party playing a catalytic role is a healthy one," he said. "Injecting funds into the system, there is a great danger that it will be put into normal operating systems."

What is not clear is how much independence the Challenge actually achieved—or if it benefited from the independence it sought. Working outside the established school reform community in Chicago may have slowed the initial work of the Chicago Challenge. By several accounts, the Challenge was slow out of the starting blocks, which may have contributed to its lack of momentum. Office space had to be found, new staff hired, procedures crafted. Observers report that, at least for the first two grant cycles, the Challenge was often out of sync with school schedules, budgets, and planning timelines.

It also took some time for the newly-formed Challenge staff, some of whom lacked extensive experience in grant making, to develop necessary expertise. This included becoming familiar with schools and the real-world capacities of the many organizations that sought funding. "They got

smarter as they went," said Peter Martinez. "While at the beginning they took at face value that the partnerships were formed and the commitments were there, they got smarter after the first round." Others reported that networks funded in the early rounds of the Chicago Challenge sometimes included schools that were too troubled to benefit from participating, requiring a change of focus in subsequent rounds.

Of course, none of these start-up problems was insurmountable, and many were addressed within a reasonable amount of time. Yet the Chicago Challenge remained out of direct contact with schools. As described in the Consortium's 1998 baseline report, the Challenge's relationship with participating schools was indirect and attenuated. It was the networks, rather than the Chicago Challenge, that recruited schools to participate—and not even all the networks could claim to have the full attention of their partner schools. According to early reports and close observers, there was little contact between the Challenge and individual schools. Almost all of its work was done through these intermediaries.

> "The Chicago Challenge stepped back a couple of decades in the understanding of how private money can spark deep educational change."

In this respect, the Chicago Challenge may have been asking too much of its networks, which may have had independence from the school system and some valuable expertise but lacked much clout in the schools. The network design may also have contributed to the lack of recognition, status, and influence experienced by the Challenge in Chicago. The March 1999 report on the program's first three years states that "The Challenge does not yet have a secure basis for legitimacy" among the education and business leaders who had been surveyed. In late 1997, only about half of the city leaders were familiar enough with the Chicago Challenge even to speculate on what its main activities had been. John Ayers, executive director of Leadership for Quality Education (and brother of Bill Ayers), is quick to point out that the tough work being done by the Challenge and its networks was least likely to get noticed. "They are by definition less likely to gain positive press because they do the hard work at schools," he said.

Ironically, for all its attempts to appear independent, the Chicago Challenge remained closely associated with the 1988 reform groups. To some extent this is due to the relatively small changes that it was willing to make. In fact, the percentage of grants given to school-reform and community-activist groups increased over time, according to the 1999 Consortium report. A full 25 percent of the implementation grants went to these groups in 1995, according to the report. This figure exceeded 50 percent in 1996, when eight of the fourteen grants awarded went to these groups. An additional eight grants were awarded to community organizations and reform groups in 1997. Adjustments were made, yes, but no major effort to break from the reform groups or reconsider the network strategy. In terms of appearances, it didn't help matters much that the Challenge twice shared office space with reform organizations.

Sixty-One Networks and 223 Schools: Uncontrolled Growth or Planned Diffusion?

The list of over sixty networks funded by the Chicago Challenge during the past six years takes up more than a page, including efforts as broad and diverse as the Best Practices Network, the Center for International Technology, the Chicago Comer School Network, the Chicago Middle Grades Network, the Flower Cluster, the Beverly/Morgan Park International Baccalaureate Middle Years Program, the Network for Experiential and Adventure Learning, and the Woodlawn Schools/Community Network.

While pluralism was clearly envisioned in the Annenberg Challenge, it is less certain whether the Chicago Challenge was ever intended to reach over 40 percent of the students and schools in the city. This is especially true considering

that many of the networks were focused on time-consuming and complex staff-development initiatives.

Accounts vary as to whether such a large number of networks was envisioned from the start. The Joyce Foundation's Chapman, who helped write the grant application, asserts that the number of networks arose organically out of the work that needed to be done. "The money did not drive the work," said Chapman. "It was the ideas behind what we might do." Still, while the original application stated that no more than ten implementation grants would be given in the first year, that number was exceeded almost immediately. One possible explanation is that the somewhat amorphous nature of the "size, time, and isolation" trinity and the dominant role of the working group contributed to the sheer number of awards given.

It is not known what, if any, pressure was exerted on the Challenge to fund members of the working group, but it is easy to imagine that the group exercised influence on expanding the number of grants awarded to different networks. For perhaps the first year, the working group—now called the Collaborative—was highly involved in key activities and decisions. For example, the original sessions outlining how the application process would work were conducted by the Collaborative, according to Bill McKersie. McKersie wrote his 1996 dissertation on the education reform work of several Chicago-area foundations (and at one point was under consideration as the executive director of the Challenge). "The Collaborative was very much running the show," said McKersie of the three community meetings he attended in 1995. "They were way out in front of the staff," he said.

> The modest awards made winning the trust and cooperation of individual school leaders a tremendous challenge.

In fact, the working group was responsible for reviewing the first round of applications from organizations in Chicago that wished to be funded. According to Hallett, the group members did not formally approve grants. "There was no intention for the Collaborative to be the grant-making entity," said Anne Hallett. "They simply made recommendations, and in any case we were already staffed [with separate Chicago Challenge employees] when the first grants were made." However, others suggest that the working group/Collaborative remained influential throughout the formative period of the Challenge. In addition, Bill McKersie points out that many of those in control of the process were neophytes. "A set of people who didn't have a lot of experience in grant making got control of the process," said McKersie.

Another element may have been the push to get the first wave of grants out the door as quickly as possible. "Why the rush to move $3 million in 1995?" asked McKersie, who believes that the hurried process of allocating the initial grants hindered the overall effectiveness of the Chicago Challenge by locking it into a set of fixed costs before its processes and ideas were fully formed. "The Chicago Challenge stepped back a couple of decades in the understanding of how private money can spark deep educational change."

This concern is echoed in the March 1999 Consortium report, which notes that the program lost flexibility and was hindered by its 1995 grant-making decisions. The report indicates that the number of grants was early on known to be a problem. "The Challenge's strategic flexibility remains constrained by its early decisions and a rapidly changing environment," states the report. "Grant decisions made in 1995 have strongly influenced the Challenge's direction and obligated much of its available resources."

Intentional or not, the benefits of this approach are doubtful. The decision to support so many different networks almost certainly created administrative, operational, and evaluative problems. With a staff of only nine, the Chicago Challenge could not effectively oversee the difficult and complex work it funded. The networks and schools were spread all across the city, creating logistical obstacles such as increased travel time.

Yet despite the difficulties incurred by funding so many networks—as well as concerns

about the awards that had already been given—the Chicago Challenge appears to have been unwilling to cut anyone off or limit the number of implementation grants it would give. While not as critical as McKersie, others in the foundation world, such as Paul Reville, agree that controlling quality and retaining flexibility in grants awarded is essential. "The foundations have traditionally built in that wiggle room," said Reville, who cited several cases where a foundation had changed direction or even curtailed efforts when adequate progress wasn't being made. Yet the Chicago Challenge proved reluctant to act in this way even as late as 1997.

In some schools, as many as 20 different outside reform efforts are being conducted.

The Challenge did change at least some things. As it sought to hone its grant-making operations and refine its strategic role, it delved ever more deeply into the substantive work its grantees were undertaking. In 1997, Challenge executive director Ken Rolling expressed his concerns that networks and school staff needed extra help turning their ideas and good intentions into effective reform efforts. "Just because you build it, they will not come," he wrote.

First, the Challenge developed a more articulated grant evaluation mechanism. Then additional support activities and technical assistance to grantees become part of the Challenge's work. Starting in 1997, for example, Rolling tried to help ensure that existing grantees had enough support to do high-quality work, as well as to widen the pool of funded networks to include business and other organizations that had been less successful in winning funds. The Challenge seems to have determined that its role consisted of mailing out grants to as many well-conceived initiatives as it could and helping the networks to implement them as effectively as possible. Given the large number of networks and schools involved, this was no small task.

Despite these improvements, the shotgun approach to grant making resulted in small amounts of additional resources for each school participating in the Challenge. "By the time you divide it among all those schools, it isn't as if any school is getting a lot of money," said Spurlark, who directs a Challenge network. The modest awards made winning the trust and cooperation of individual school leaders a tremendous challenge. Lack of funds also limited the amount of staff-release time and materials that could be provided to support network activities. With only $30,000 to $50,000 per school, networks reported that they struggled to convince principals and local school councils of the merits of their approach. (In comparison, grants under a new federal comprehensive school-reform program start at $50,000 and range upwards of $100,000 per school.)

To be truly effective, the network also had to convince school leaders to deploy their discretionary resources in complementary ways. "You have to be able to establish a central relationship with a principal so that he or she sees you as more than just another project in the school," said MacArthur's Martinez. "You have to become the main consultant. Without that, you're not able to help them look at how the total resources of the school are being used in a way that either aligns with or works against what you're trying to do." Annenberg documents suggest that it was particularly difficult to persuade school leaders to drop preexisting reform initiatives even when they were working at cross-purposes. In some schools, as many as twenty different outside reform efforts are being conducted, Annenberg included. As few as 20 percent of teachers were active participants in some Annenberg schools. About half of the Annenberg schools reported that most of the time available to spend on school improvement was spent on non-Annenberg efforts. Lack of time and resources was also a major impediment to network participation.

The large number of networks and the decision to support existing efforts rather than new ones also curbed the Challenge's influence on each partner to whom it awarded funds. Many of these organizations receive funding from multiple sources. Youth Guidance, the network that supported schools involved in the Comer process, had received $1.5 million for similar efforts from 1990 to 1993. Fifty million dollars in grants to

sixty networks translates into less than $1 million apiece, spread over five years. Two hundred thousand a year may have been a massive influx for some, but too little in many cases to give Annenberg a strong role in ensuring the quality or priority of the networks' activities. This situation was compounded by the practice of letting external partners operate more than one Annenberg network at a time. The Chicago Teachers' Center, for example, is listed as the external partner for several different networks, as is National Louis University. As a result, the Chicago Challenge may have been limited in its ability to refocus networks' efforts once grants were awarded.

"What I think they forced themselves into from the get-go was that you just go to too many sites," said McKersie. "Instead of saying, 'Let's get ten networks going and get some policy changes made,' they just made the aggressive run on getting as many local efforts out there as they could." While a strong defender of the Annenberg effort, the MacArthur Foundation's Martinez agrees to some extent that the large number of networks and schools may have led to what he calls "narrowly-constructed initiatives."

No other Challenge site has ended up so enmeshed in a very public war between the district and the school-reform community.

This is not to say that the efforts of the networks or the Challenge had no impact or can't be justified. Indeed, as ill-considered as the large number of networks may seem, this approach may have been somewhat effective. After all, 80 percent of the principals surveyed in late 1996 and in 1997 reported that the Challenge was either central or very central to the work of their schools. The majority reported that participation provided useful resources, and many of the networks working with them have plans to continue after the Annenberg funds are gone. The Chicago Challenge was designed around the ideas of decentralization, school-based reform, and bottom-up change. Any hopes of systemwide revitalization along the lines favored by the Challenge and its supporters may have evaporated fairly quickly. So it makes sense from that perspective that it would award a large number of grants rather than fund fewer but more centralized initiatives. And these efforts then became the "sustaining force" for school-based reform.

Restructuring vs. Accountability: Effects of the 1995 Mayoral Takeover

Seeing an unfamiliar face in his office suite on a cold afternoon in October 1999, Paul Vallas introduced himself and asked if there was anything he could do. Told that the purpose of the visit was to learn about the Annenberg Challenge, Vallas made a face and said, "Oh, them. Well at least they're a little more practical than most of the other groups." Without further comment, he walked away.

Perhaps more than any other factor, the passage of the 1995 reform and the arrival of Paul Vallas had a tremendous effect on the Chicago Challenge. Neither the school-reform groups in Chicago nor the new Challenge staff had imagined all these changes when conceiving of the Chicago Challenge the year before. And no other Challenge site has ended up so enmeshed in a very public war between the district and the school-reform community.

The nearly-simultaneous arrival of the Annenberg grant and the 1995 legislation seems to have surprised just about everybody. "It was strange timing for everyone," said Chapman. By several accounts, very little publicity was given to the possible mayoral takeover of the city schools before it was announced in 1995 and implemented in 1996. "My recollection is that the 1995 mayoral control piece was subterranean," said McKersie. While he had long desired it, a direct takeover was not prominently featured in Mayor Daley's education platform at the time. "It was not even a glimmer in anyone's

eye," recalled Anne Hallett.

Under these conditions, developers of the Challenge had no way of knowing that their ideas, and their change model, would be so at odds with the new administration. The approach favored by the Annenberg networks was clearly ill-matched with the views of the new district leadership. The Chicago Challenge was designed for a highly decentralized school system with weak central leadership, not a strong new CEO with broad authority. The Chicago Challenge initiatives were meant to support profound but hard-to-measure changes in school design and operation that would presumably help to improve learning, while the Vallas team was focused on test-based standards and accountability. While the Chicago Challenge plan was conceived to some extent as a safety net for at-risk schools, the Vallas team took a "tough love" approach, most notably by reconstituting schools and ending social promotion of pupils.

The Chicago Challenge was designed for a highly decentralized school system with weak central leadership, not a strong new CEO with broad authority.

The mayor and other city leaders attended the award ceremony in 1995 where the Annenberg funds were presented to the city, but things appear to have deteriorated quickly thereafter. Relations between the Chicago Challenge and the Vallas administration seem to have worsened for a long time, especially as Vallas grew more active in instructional and academic issues. "Since 1995, a lot of the reform groups have refused to play with Vallas," observed John Ayers. In fact, Chicago Public Schools officials report only infrequent contact with Annenberg staff or network leaders. No one in either the school system or the Mayor's office was assigned to work with Annenberg, and many staff members contacted were only minimally familiar with the Challenge. The fact that the Chicago Challenge joined several other foundations and reform groups in a media effort to highlight the successes of the 1988 reform law—in contrast to the very different thrust of the 1995 reforms—was a clear indication of just how far apart the two were. (It should also be recalled that City Hall—and the previous school-system administration—had been two unsuccessful applicants to Annenberg in 1994.)

Little is known about what efforts, if any, were made to work within the policy context being developed by the Vallas administration. What evidence is available suggests that these efforts were infrequent and ineffective. As Shipps notes in her 1999 report, partnership with the district was a "neglected" objective of the original plan, perhaps because of conflicting views within the Challenge. Even in the more recent grants, only a few of the Annenberg-funded networks were even focused on curriculum and instruction issues that related directly to the accountability measures instituted by Vallas.

The lack of coherence between Annenberg efforts and district strategies did not go unnoticed by the networks and schools involved. Surveys showed that participating schools perceived conflicts between the two, especially when the schools wanted to make scheduling, budget, or staffing changes that required district approval. Network leaders were on the front lines to see this dynamic at work. "Annenberg said early on that they would advocate for the kinds of systemwide changes that would accommodate the changes needed for reform," said Jack Mitchell, who runs an Annenberg network built around the Coalition of Essential Schools model. "I don't know how much success they have had." In the end, it appears that the individual schools were faced with either curtailing their involvement or negotiating their own compromises with district administrators.

It is one thing to observe that the Chicago Annenberg Challenge effort was ill matched initially with the goals, priorities, and top-down approach of the new team running the city schools. But the fact that so few relationships were built between the Challenge and the Vallas team over time suggests that the Challenge was also unable or unwilling to work closely with the district. This lack of cooperation is important because the relationship between the Chicago

Challenge and the Vallas administration might have been mutually beneficial, however unlikely a match they were. Other Annenberg sites developed effective—or at least benign—relationships with central school system authorities. *Other* Annenberg sites also survived changes in governance and district leadership.

In fact, the 1995 reform presented tremendous opportunities to Chicago's fledgling Annenberg Challenge effort. In immediate terms, the tough accountability measures in the new school-reform act gave the Annenberg networks greater potential leverage with their schools. Under the 1995 reform, schools could be put on probation and then reconstituted if they continued to lag. Tens of thousands of students were forced to go to summer school in order to make it to the next grade level. Forty-three Annenberg schools were on the initial list of 109 schools on probation. "Now all of a sudden, there are new consequences," explained Martinez of the situation that over one hundred low-performing schools faced, "and a principal says, 'I know I need help.'"

Few knew the ins and outs of individual schools throughout the city as well as the reform groups working with the Annenberg Challenge. Especially since the 1995 reforms left the local school councils largely intact, the Challenge members could have functioned as a valuable liaison between the central administration and the schools. The 1988 law gave principals the flexibility and autonomy to participate in a network, and resources that could be used for related purposes.

Partnership with the district was a neglected objective of the original plan.

Yet none of this happened. Why is that? It is not surprising that the contradictions between network activities and new district priorities created conflicts. The 1995 reform was a political accountability strategy, while the 1988 reform—and the Challenge that was in so many ways tailored to it—was built around the idea of expert-driven school redesign. To that extent, the 1995 reform was fundamentally at odds with the deeply-held beliefs of those who created the Chicago Challenge. Still, it seems hard to imagine that those involved with the Chicago Challenge, with all their experience in past reform efforts and political infighting, weren't aware of the benefits of pragmatic cooperation or the dangers of inflexibility.

Perhaps the Chicago Challenge simply had no room to maneuver. "They threw in with the grassroots reform community where the energy was in the early 1990s," said John Ayers of Leadership for Quality Education. "They bet on that horse. And when the energy and the activism kind of changed towards Vallas, they were already so identified with [the reform groups] that it was hard to change." Several observers report that internal efforts to create more linkage with the Vallas initiatives were repeatedly rebuffed by the Challenge board, the Collaborative, or both. "Ken tried to make political peace and to make accommodations with Chico and Vallas," said Ayers.

Wondering about a potential Vallas-Annenberg coalition is nothing more than Monday-morning quarterbacking, according to at least one of the grant's authors. "The context is different today," said William Ayers, who points out that there was no strong district leadership when the Chicago Annenberg Challenge was conceived. "If we were to do it all over today, we would work on creating a more robust inside-outside partnership with the district."

It may be true that the momentum behind the 1995 reforms was not immediately apparent. But it is hard to deny that the Chicago Challenge had opportunities to revamp its approach during the following years.

Not that adjusting to this massive change or working with the highly controlling Vallas would have been an easy feat. The Chicago Challenge was perhaps the only site to face such a fundamental transformation of governance of the schools with which it was engaged. Few if any of the other Annenberg sites were confronted with district-level initiatives that were so difficult to integrate with established Annenberg priorities. And perhaps no other site encountered as much hostility towards outside reform efforts as came from Vallas, who was quoted in 1997 as

saying, "I don't know what I have to do to satiate some of these groups. I don't have time to meet with them and wax nostalgic about the old days of school reform. I have a job to do."

However, Vallas was not the only one who had come to see the reform groups as anachronistic in their approach. "The agitator is not there just to stir things up, but to clean," said James Deanes, who once led one of Chicago's reform organizations and now works in the central administration.

It seems hard to imagine that those involved with the Chicago Challenge weren't aware of the benefits of pragmatic cooperation or the dangers of inflexibility.

Another view is that, by becoming an independent foundation, the Chicago Challenge simply took the appropriate middle road between being overidentified with the reform groups and becoming an extension of the Vallas administration. After all, the Challenge was funded to promote change and raise the profile of approaches that were not widespread in Chicago—not to support district policies.

Dorothy Shipps details this reasoning in her 1999 study, which describes organizational and tactical changes made by the Challenge during its first three years. While the conventional wisdom is that the reform groups and the Vallas administration were polar opposites feuding like the Hatfields and McCoys, her analysis suggests that the Chicago Challenge was attempting to span a much broader and more diverse spectrum of ideologies.

Unfortunately, the organization of the Chicago Challenge into an independent foundation seems to have done little to establish a distinct identity or role apart from the community organizations and reform groups—largely because these same groups remained the chief beneficiaries of Annenberg funding. And it is certainly arguable that some degree of cooperation with Vallas could have been undertaken without any significant erosion of integrity or independence.

To some degree, the lack of conclusive data from the Challenge is also a result of deep ambivalence about another element of the Vallas reign: standardized accountability measures. "Accountability systems neither encourage nor help schools to adopt reflective methods for continuous improvement," stated the national Challenge's 1999 midterm report. Statements like these reflect a deep-seated ambivalence about the intensifying nationwide focus on student achievement. Misgivings about measuring schools and students through tests and other standardized measures remains strong. "You can't come into a situation and say, 'We're only going to do what's easy to measure,'" says a defiant Martinez. "In the long run, it won't make any impact on the school."

And so what may have prevented any real alteration of course by the Annenberg Challenge in Chicago was the strength of its belief in the previous decentralized approach to reform, and its hostility towards standardized measures of the Vallas sort. Well into 1997, the Chicago Challenge continued to fund proposals from the same pool of original applicants. While almost a third of the grantees identified conflicts between their mission and the Vallas initiatives as a problem, only moderate efforts to refocus the existing Challenge grantees on more achievement-oriented results seem to have been made.

In this respect, the Chicago Challenge mirrored the spirit of the national Challenge. In fact, there has long been a strong anticentralization, antidistrict policy sentiment in Annenberg Challenge literature, suggesting that Challenge staff saw themselves as effective outsiders who should not succumb to the dictates and priorities of district officials.

Yet the Chicago Challenge seems to have gone farther, espousing not only a school- and intermediary-based strategy to change, but also a different objective: school reform through local action. The leaders of the Chicago Challenge disagreed not only with the Vallas approach—top-down, no-nonsense—but also with his priority on raising test scores no matter what. And it was this pair of obstacles that may have kept

them from even wanting to join forces with him and the mayor.

A Legacy from the Chicago Challenge? Winding Down and Changing Tactics

"It's a constant tension between the inside and the outside," says John Avers, executive director of Leadership for Quality Education. "The outside needs to be critics, watchdogs, complainers pushing for deeper change—and yet we also have to work with the district when they're doing good things."

In the end, the Challenge's function as foil or counterweight to the Vallas initiatives may prove to have been its most significant impact on Chicago schools during the past five years. The idea that the Challenge played an important complementary role is expressed by many, including Warren Chapman, who said, "I'm not sure that the education of children should be seen as a competition between two ideologies. However, it was probably the combination of both [Annenberg and Vallas] happening that led to the positive things. Take one away, and I'm not sure what you have."

The real question is how many of those sixty networks are going to be sustained.

As the grant period winds down, the short- and long-term impacts of Annenberg-funded activities remain unclear. While well aware of problems and missteps that may have occurred in the past, those closely involved with the Challenge remain strongly supportive of it. "Annenberg has been very effective in Chicago and nationally," insists Hallett, "in strengthening and deepening the need for a strong investment in good education at schools." She contends that one of the most important benefits of the Chicago Challenge has been the support for the external partners. "The broad school-reform community that works outside of the schools is extremely important in Chicago," said Hallett. "They are a sustaining force."

Even those who are critical of certain aspects of the Challenge acknowledge that its impact could turn out to be beneficial. "The real question," said McKersie, " is how many of those sixty networks are going to be sustained. If out of the sixty you've got forty that last, that's significant." While acknowledging the faults of the Challenge, this "see what sticks" argument suggests that attention should focus on the most successful schools and networks, however few there may be. Given that many of the networks existed long before Annenberg arrived, it may be that many of the Annenberg-funded networks in Chicago will remain in operation—although not necessarily because of Annenberg

Rather than just letting its work peter out, the Chicago Challenge has undertaken two new initiatives to institutionalize its efforts. Some time during the 1999-2000 school year, the Chicago Challenge plans to give dissemination grants to several "breakthrough" schools that were recommended by various networks around the city. These schools are those that the Challenge considers to be model programs that could serve as examples for similar efforts in additional schools into the future.

At the same time, the Chicago Annenberg Challenge has also provided $2 million in seed money to help start a new education fund. Called the Chicago Public Education Fund, this districtwide initiative will focus on developing effective school leadership and recruiting and retaining qualified teachers—an area of education reform that is clearly defined but that has not been strongly identified with any particular segment of the school reform community in Chicago.

While the exact motivation behind these particular efforts is not known, it is interesting to note that these concluding acts by the Chicago Challenge run somewhat counter to much of its effort over the previous five years. In giving money directly to breakthrough schools rather than networks, the Challenge appears to be reconsidering its fealty to the "external partner" concept that had dominated its work. And in helping start a local education fund, the Challenge is, in effect, assisting district initia-

tives, not school-based efforts. Giving money to the district is something that the Challenge had long resisted, even in the face of a direct request from Mayor Daley in 1997. While Annenberg literature describes this new fund as an idea being promoted by the Chicago Challenge, district officials depict it as an independent entity with no obligations to continue Annenberg initiatives.

Perhaps in its final acts the Chicago Challenge is facing some of the practical and political realities in a new way. If these concluding efforts do represent a change of tactics on the part of the Chicago Challenge, it seems unfortunate that they come so late in the process. Nothing produced by the Chicago Challenge has explained why they made so few significant changes in strategy and structure over the span of five years. Without losing its identity or compromising its function as an external force for change, the Chicago Challenge could certainly have addressed at least some of the obvious flaws in its design and made itself a more dynamic and effective force.

In its final acts the Chicago Challenge may be facing some of the practical and political realities in a new way.

Afterword: Lessons from the Annenberg Challenge

Chester E. Finn, Jr. and Marci Kanstoroom

Immense sums of philanthropic money are pouring into education nowadays, with hundred-million-dollar gifts no longer unusual. To name just one, the Bill and Melinda Gates Foundation announced in March 2000 that it will give $350 million to "reinvent" schools so that students of all backgrounds can reach higher academic standards. Such munificence takes many forms and spans all manner of projects and activities. Aims vary, too, though most donors appear chiefly interested—as well they should be—in boosting pupil achievement, particularly among disadvantaged children. These generous people assume that private dollars, properly deployed, can ease the problems that U.S. schools struggle with. Such giving is certainly well intentioned. But how effective is it apt to be?

Walter Annenberg's grand, half-billion dollar gift to public education, announced in December 1993, still stands, so far as we know, as the largest that anyone has made, and it is reasonable to view it as a major prototype for other private giving in this area. Seven years later, it's also reasonable to ask what came of it. Other philanthropists and education reformers may benefit from knowing what Ambassador Annenberg accomplished by way of significant reform in return for his undisputed generosity, and what lessons can be gleaned from this experience that may help light the trail for other donors with K-12 education burrs under their saddles.

The biggest chunk of the Annenberg gift (roughly 57 percent) went to fund challenge grants in nine of America's largest urban school districts. The remainder of the $500 million was divided among national school-reform organizations, a rural school-reform initiative, and the promotion of arts education and other special opportunities. The present report consists of case studies of three of the major urban challenge grants in cities that together account for $125 million in Annenberg funds, or approximately one-fourth of the Ambassador's total gift.

This set of case studies is not the last word on the impact of Walter Annenberg's gift, but it may well be the first—i.e., the first external, in-depth look on a multicity basis at what the Annenberg Challenge produced. (Each city has its own evaluation underway, but those are based on what the Challenge terms "a theory of action approach," which is more aimed at, and better suited to, improving an ongoing program than appraising it after the fact. Moreover, "theory of action" studies resemble partnerships between project and evaluator more than objective outside reviews.)

The case studies in this volume reveal much about the difficulty of school reform and how philanthropy can or cannot foster it. Good intentions and a generous checkbook are clearly not enough to transform American education. Short-run innovation can be bought with money, but durable reform takes something more powerful.

Goals of the Annenberg Challenge

What did the Challenge seek to achieve? When Ambassador Annenberg first announced his gift, he explained that he was making it because of his concern over rising violence among young people. "We must ask ourselves whether improving education will halt the violence," Annenberg said, announcing the gift at a press conference with President Clinton at his side. "If anyone can think of a better way, we may have to try that. But the way I see the tragedy, education is the most wholesome and effective approach."

"Improving education" is a broad and nebulous goal; more specific aims for the urban chal-

lenge grants emerged later. The goals fall into two categories: process goals (e.g., sparking involvement in schools) and effects goals (helping students learn more). During a midterm stocktaking exercise, the Annenberg Challenge posed two questions: "[C]an a financial contribution of whatever magnitude unleash an array of other gifts—not just of money but of courage and vision and energy—that make their way to America's schoolchildren and help them learn? And can citizens outside the entrenched systems of public schools help change the way those systems work?" Still broad and somewhat nebulous, yes, as well as hugely ambitious, but also suggestive of an important evolution in the thinking of those leading the Challenge: the recognition that, while it's important to improve individual schools, those changes won't last unless the system itself is changed to accommodate them. Hence the reform strategy had to contemplate system-level transformation.

While it's important to improve individual schools, those changes won't last unless the system itself is changed to accommodate them.

This is a long way from the school-by-school approach that characterized most of the Challenge's early efforts and the designs of many of its projects. Leaders and advisors of the Challenge had begun by promoting the development of small, effective schools, linking them into networks, and prompting the community and the larger school system to support these schools and networks. It was simply assumed that such schools would lead to improved education in general and student learning in particular. But there was no one model for a good school. The Challenge held certain assumptions, to be sure, including the belief that a good school is one with high standards and a clear vision, where all children are known, where teachers are collegial, and where parents and the community are collaborators. Yet, the Challenge was pluralistic, receptive to diverse strategies for creating good schools.

In its 1999 midterm report, the Challenge claimed certain achievements: the collaborative work it fostered had focused attention on critical issues and seeded new alliances; it had set in motion promising strategies for boosting pupil performance; and it was leaving "small yet encouraging footprints in the larger educational system." A number of small schools had been created, and test scores of their students showed modest gains. The Challenge also asserted that it had influenced the larger education system, citing alliances with system leaders and collaboration with public school systems on particular projects. Another report (January 2000) gauged the matching funds generated by the Challenge, concluding that $566 million had been raised from private and public sources, over and above Ambassador Annenberg's own gift. A handsome sum by any reckoning.

Yet "small footprints" are a considerable distance from "changing the system." And, in fact, the Annenberg Challenge's education-reform accomplishments to date—both as outlined in its own reports and as described in the case studies presented here—are less than staggering. One could simply conclude that Ambassador Annenberg didn't get much for his money, at least not by way of improved student achievement or the kinds of systemwide changes or policy revolutions that hold reasonable likelihood of yielding major gains in the near future. It's hard to read these case studies and come to a different judgment. Yet such a judgment is also superficial, begging important questions and avoiding valuable lessons that might be drawn from this experience. So let us try to burrow a little deeper.

Theories of Change

In launching any philanthropic venture intended to make significant changes in a large, complex institution, it's crucial to determine one's theory of change in advance. Somewhere in one's mind or gut is an idea, judgment, or conjecture about points of leverage and sources of change in the institution that one seeks to reform. Because these theories differ, and different theories lead to different reform strategies, there is no reason to

suppose that one person's approach will be the same as the next person's. (If one were seeking, say, to make an old bicycle go faster, one might change the tires, oil the gears, or replace the bicyclist—or various other things—depending on one's theory about what is most apt to yield the desired result.)

In education today, there are, broadly speaking, four big theories of change.

The first says give additional resources (or freedom, flexibility, other assets, etc.) to the school system and it will do a better job. The system is well intentioned and capable but suffers from resource constraints. Add to its resources and things will get better. The system wants to improve, knows how to improve, and has the capacity to improve, but it's strapped (or maybe trapped).

The second relies on external expertise, technical assistance, or intermediary organizations to provide the system (or individual schools or clusters of schools within it) with know-how and capabilities that it lacks. This theory holds that the school system's chief failings involve ideas, technical capacity, and hands-on assistance; that experts know best; that outside experts and organizations are good at playing "school doctor"; and that the system will welcome them. It's another form of resource enhancement but has more to do with know-how than money.

> Expecting reformers outside the system to work with that system to reform the system itself proved to be a tall order.

The third, commonly known as standards-based reform, is highly centralized, sometimes at the district level, more often at the state level. It's essentially external to the school system, using goals, rewards, and sanctions to pull and prod that system (and the people in it) toward better results. It generally rests on a tripod of externally set academic standards, externally mandated assessments, and externally imposed rewards and interventions. It shifts power, too, usually from those within a school or school system to outside "masters" such as governors, state education agencies, or state boards of education. The underlying (and highly behaviorist) theory holds that the system isn't capable of reforming itself because it lacks clear goals and standards, lacks feedback loops concerning its actual performance, and lacks the ability (or the will) to reward its members' successes and discipline (or intervene in) their failures.

Fourth and finally, marketplace-style reform, often known simply as "choice," also shifts power, but from producers to consumers, from those running the system to its clients and customers. Its two best-known variants today are charter schools and vouchers, although public-school choice also has a place in it. This theory holds that the bureaucratic monopoly is itself the principal source of America's education problem, that further centralization of decisions won't help, and that the way to make things better is to crack the monopoly, shift power to heretofore powerless consumers, allow (or create) numerous education options and alternatives, and let the marketplace work its will. Like the third theory, this approach also relies on incentives to produce change. Individual schools must be worthy of choice to continue in operation. The system will change its behavior if there are real consequences for success and failure.

These theories have various combinations and permutations, to be sure, but if one is a philanthropist (or other would-be change agent) it's not wrong to suggest that one has probably bought into, or been persuaded of, the superior wisdom of one of these theories and the strategies and actions that logically follow from it.

The Theory behind the Annenberg Challenge

The theory of change behind the Annenberg Challenge is clearly stated in its midterm report:

> The Challenge relies on *intermediary organizations* (emphasis in original) as agents of change—an important strategy that has heretofore attracted little scholarly attention

> or analysis. . . . As independent public-private partnerships neither of the system nor wholly outside it, they cross organizational boundaries to intervene at critical points both up and down the educational system. They galvanize new resources from public and private sources. They educate, advocate, develop programs, and coach people in managing change. And they bring to school improvement the private creativity and civic mobilization that policy-driven reform alone cannot provide.

Schools don't change quickly, nor do those who have worked in them for many years.

That means the Challenge subscribed to theory two: the provision of expertise and stimulus from outside to a system that is assumed to lack both but to be willing and able to change if supplied with these missing elements. And that, in fact, corresponds very closely to the actual experiences in Philadelphia, New York, and Chicago that are recounted in these case studies. (In Philadelphia, we see a blending of strategies one and two, because the school system itself was in the grip of a change-minded superintendent whom prominent outside local reform groups were keen to work closely with and to supply with discretionary dollars. We should add that, in more than a third of its sites, the Annenberg Challenge worked closely with the school district's own reform plan.)

The Challenge was not overtly outcomes-focused, as strategy three is. It was more attuned to expert manipulation of inputs and processes, presumably on the assumption that this approach would inevitably yield strong student learning. It did not even mandate any systematic external evaluation using criteria of success that focused on student-learning outcomes. And it certainly wasn't consumer-minded like strategy four, though in some Annenberg Challenge sites (e.g., Miami/Dade County), portions of the grant money went to charter schools.

Where the Money Went

The theory of change that a philanthropist subscribes to should determine whom she gives her money to. The Challenge entrusted its dollars to outside reform groups—mainly private nonprofit organizations—rather than to elected officials, school districts, or individual schools. This was consistent with its theory, as well as designed to minimize public-sector red tape and to avoid tying the funds too tightly to a particular superintendent's vision, considering how brief is the tenure of an urban superintendent. In Chicago, a proposal to the Challenge from a group of established nonprofit education-reform and civic groups beat out proposals from the mayor's office and the school system. (This likely contributed to the chilly relationship between the Challenge and City Hall.) In Philadelphia, while the Annenberg dollars were intended to support Superintendent David Hornbeck's initiative, the actual grantee was the Greater Philadelphia First Foundation, not the School District of Philadelphia.

The Challenge aimed to reach enough schools so that that the larger system would feel its impact and to make that system more flexible and accommodating toward reform. An Annenberg partner was expected to "forge strong relationships with the very bureaucracies it seeks to change: districts, states, teachers unions and teacher education programs." As the case studies reveal, expecting reformers outside the system to work with that system to reform the system itself proved to be a tall order—especially when the outside reform groups also had their own ideas to implement, agendas to advance, and budgets to worry about. The experiences of New York and Chicago show that even reformers armed with $25-50 million are no match for school districts with budgets in the billions. There turned out to be no practical way to get a district to cooperate with a reform plan if the district didn't share that plan's philosophy—and its theory of change.

In Chicago and New York, the plans of the Annenberg reformers were quickly overtaken by systemwide reform efforts fundamentally at odds with their own. In Chicago, the decentralized, school-by-school approach of the 1980s—which

was the animating spirit of the Annenberg Challenge in that city—was abruptly replaced in 1995 by a centralized, mayor-driven, top-down strategy led by a powerful executive. This made the efforts of Annenberg-funded networks led by community activists appear anachronistic. In New York, a halfhearted attempt at systemwide reform—the creation of a Learning Zone—failed because its goal was not really shared by the four Challenge partners, some of which were happier working within the system than confronting it. Chancellor Rudy Crew resisted the creation of a network of schools that would operate outside his control, and the fractured Challenge groups could not overcome this resistance. Moreover, their own halting efforts to change the system were totally overshadowed by major reforms arriving from other directions: centralized governance, new statewide standards, and charter schools. These shifts in the political and policy winds caused the Challenge groups, still pressing for school-level innovation, to be marginalized. While the partner organizations in these cities did create some successes in individual schools, they failed to effect larger changes.

In Philadelphia, where the Challenge was essentially absorbed into the new superintendent's own Children Achieving reform initiative, Annenberg-sponsored reforms gained somewhat greater traction, but it isn't clear how much of the success in Philadelphia can be attributed to the Annenberg approach. Superintendent Hornbeck mixed the Annenberg philosophy of change with his own, and its goals were expanded to include standards-based reform in addition to networks of small schools. A case could be made that it was the development of standards and rewards for performance (including the superintendent's own salary) that produced the gains racked up by Children Achieving, not the decentralization of power and buildup of outside expertise that were priorities of the Annenberg Challenge.

What Have We Learned?

Schools don't change quickly, nor do those who have worked in them for many years. In Philadelphia, for example, while the school system's redesign into clusters was driven by the superintendent himself, resistance came from teachers and principals who doubted that these changes would stick. Long experience with innumerable reforms had inured these key players to the "policy churn" that University of Virginia researcher Frederick Hess vividly describes in his book *Spinning Wheels: The Politics of Urban School Reform*—the frenetic embrace of new approaches that makes ceaseless reform the norm in most urban school systems. It seems that policy was churning in many, perhaps most, of the cities where the Annenberg Challenge operated. Many schools in Chicago, for example, were simultaneously experimenting with any number of different reforms and thus could not concentrate singlemindedly on the goals of the Challenge even when they were part of Annenberg-sponsored networks. New York City had reforms crashing in from many directions—the chancellor, the mayor, the state education commissioner, etc.—and we should not be surprised if schools were barely aware of which of these many stimuli emanated from the Annenberg Challenge.

The use of outside experts was intended to induce change in a friendly and cooperative manner, without upsetting people, challenging the status quo, or threatening the power structure.

By embracing theory two—the idea that the system mainly lacks ideas and technical capacity—the Challenge sought to occupy what Ray Domanico terms the "secure middle ground." It funded familiar faces to work cooperatively with schools and school systems. The use of outside experts was intended to induce change from beyond the system's own institutional limits in a friendly and cooperative manner, without upsetting people, challenging the status quo, or threatening the power structure. The Challenge's designers sought partnership with the systems

they hoped to improve, perhaps even sought what foreign policy experts term "constructive engagement." They believed in catching flies with honey rather than vinegar. They opted not to concentrate their energies and dollars on pressuring the system from outside, much less on engendering competition. Indeed, those strategies (which we've termed theories three and four) were explicitly rejected. Annenberg Challenge literature describes its approach as "a compelling alternative to the two currently popular theories of reforming public education through either centralized controls or privatization." Instead, public-private coalitions would deploy multiple mechanisms to bring good schools to life.

It seems to us that the Annenberg Challenge remained generally true to its convictions and consistent with its theory. But we think it picked an unpromising, even archaic, theory, one that by 1993 had largely been discarded by other education reformers. On balance, we think that theories three and four, standards-based reform and choice—and especially the ways in which they intersect and overlap—are more promising than theories one and two, which give schools resources and expertise but do not provide real standards or incentives. Hence we're not surprised that a major philanthropic reform effort relying on one and two turned out not to yield large or durable changes.

The theory on which the Challenge rested was under suspicion even before this grand experiment revealed its failings.

In two recent books on urban school reform, *Fixing Urban Schools* and *It Takes A City: Getting Serious About Urban School Reform*, Paul Hill and his coauthors examine every major proposal for transforming urban schools to identify their strengths and weaknesses. Hill concludes that a systemwide reform strategy will fail if it lacks incentives for school performance, ways of increasing school capabilities, and opportunities for school staff to change how they serve students. All three are essential; policymakers who hope to reform schools while neglecting one of these features will be "setting themselves up for more policy churn." The theory of change embraced by the Annenberg Challenge is big on increasing school capabilities and may provide school staff with opportunities to change how they serve students, but it creates no incentives for school performance.

Conclusion

In retrospect, it's probably best to view the Annenberg Challenge as a large experiment: a conscientious attempt to determine whether theory two is right, i.e., whether augmenting a system's access to expertise and technical capacity by supporting outside groups to work with it in a cooperative way can drive real change in public education. If the Challenge didn't accomplish much by way of system change, it can mean either that the strategy was not well implemented or that the theory was wrong to begin with. We believe that the results of this experiment suggest that the theory was wrong, at least when it comes to vast urban school systems with entrenched bureaucracies, swarming interest groups, tricky politics, and ceaseless policy churning.

The strategy that the Annenberg Challenge deployed was faithful to its underlying theory of change and seems to have been implemented with reasonable competence. Yet its results were not what the theory predicted—or what the donor hoped. As we read these case studies, we imagined going on a treasure hunt, carefully following the map one is handed, and eventually arriving at the location marked with an X. Yet there's no treasure to be found. For it turns out that one was handed the wrong map. It was said to lead to a stash of diamonds but in fact it led to a picnic table, a bicycle repair shop, or the road out of town.

That the map turned out to be wrong should not come as a big surprise. For the theory on which the Annenberg Challenge rested was under suspicion even before this grand experiment revealed its failings. Indeed, many reformers sensed by 1993 that neither resource enhance-

ment nor additional expertise would suffice to transform American education, particularly in the most intractable situations of all, the country's major urban public school systems. That is precisely why, even as the Annenberg Challenge was being launched, states were enacting charter school laws (strategy four), private firms began to contemplate the outsourcing of public school operations (strategy four), states—and, for a time, the federal government—got serious about standards, tests, and accountability (strategy three), and, in a handful of high-profile cases (e.g., Chicago), fundamental changes were made in the political control of the school system itself.

The Challenge was too timid, too trusting, too much the property of those who had produced the very situations that elected officials were now bent on rectifying.

It's important, too, to note that most of those strategy three and four reforms did not originate with education experts but with impatient public officials and business leaders (sometimes aided by philanthropists). That's another way in which the Annenberg Challenge, well meaning as it was, was a bit anachronistic even as it was getting under way. A decade earlier, its approach to change would have looked bold. By the mid-1990s, however, it was out of step, too timid, too trusting, too much the property of those who had produced the very situations that elected officials were now bent on rectifying. It surely did no harm, and there are ample examples of modest good wrought with its help, usually in individual schools where the right stars were aligned. But it did not transform American public education. With the benefit of hindsight, we see that it should not have been expected to. Tomorrow's donors may wish to take note.

Nobody, however, should fault Walter Annenberg for trying. To the contrary, we should salute his generosity, his good will, his passion for public education, and his capacity for thinking big. Even if his largesse did not accomplish all that he hoped, some children, teachers, and communities are better off today for his having tried, and those who follow in his wake will benefit from the lessons that this experience teaches.

Thoughts for Philanthropists

What lessons should philanthropists bent on fixing our nation's schools take from this study? Above all, that one's theory of change should be clear before one embarks on education reform, and that the theory itself must be sound. But of course that's just the beginning. It's essential that the actual strategies one then embraces are faithful to one's carefully chosen theory of change. That includes putting one's money on the right change agents. As these three cases reveal, even handsome sums of private dollars pale beside the budgets of major school systems. If not targeted precisely, they're apt to disappear altogether.

We at the Thomas B. Fordham Foundation have some ideas about the kinds of efforts that are most likely to produce meaningful change in K-12 education—some at the level of theory and some at the level of strategy—and we intend to develop these ideas further in the months ahead. Foundations gave away a stunning $22.8 billion dollars in 1999 and, as their endowments continue to soar, it is likely that K-12 education will continue to reap a sizable share of this fiscal harvest. Our goal is to help guide foundations and other philanthropists who seek serious school reform, including those who read the saga of the Annenberg Challenge and conclude that there must be a better way to go about it.

Here are a half-dozen initial observations:

First, working with the school system can be very slow and often fruitless unless the system shares one's goals, which is distressingly rare. Working on the system or around the system is usually more promising.

Second, lay leaders—elected officials, crusading civil rights activists, newspaper editors, business tycoons, neighborhood associations, etc.—are more apt to share the goal of reforming the broader system (and one's impatience with the status quo) than education "experts."

Third, in the great education reform tug-of-war between producers and consumers, the consumers, especially parents, are generally a better place to lodge one's hopes and one's money, though they, too, are imperfect agents of change.

Fourth, it's usually easier and often smarter to start new schools than to throw oneself against the barricades of the schools we already have. (It's remarkable how schools can, at the same time, be worrisomely trendy about curriculum and pedagogy yet deeply averse to any change in power relationships and operating assumptions.)

Fifth, schools and school systems may not welcome competition but they do benefit enormously from it.

Sixth, there is no necessary clash between standards-based reform and competition-based reform. In fact, they can and should complement one another. Standards specify the results to be achieved by schools—and assessments provide vital consumer data about how well each school is performing—while choice and competition offer alternatives and thereby press ineffective providers to change, even as they liberate needy children from unsatisfactory school situations.

These few (and oversimplified) maxims just begin to outline a strategy of giving that we believe will lead to real improvement in U.S. schools. Stay tuned for more specifics. As more foundations and generous individuals seek to scale the mountain of education reform, we hope to be at their side with map and compass.

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